

# PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	CHANGE OF NAME
<b>CONVEYING PARTY DATA</b>	
Name	Execution Date
Certapay Inc.	10/23/2003
<b>RECEIVING PARTY DATA</b>	
Name:	Acxsys Corporation
Street Address:	121 King Street West, Suite 1905
City:	Toronto
State/Country:	CANADA
Postal Code:	M5H 3T9
<b>PROPERTY NUMBERS Total: 1</b>	
Property Type	Number
Application Number:	10470094
<b>CORRESPONDENCE DATA</b>	
Fax Number:	(416)971-6638
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	416-971-7202
Email:	jwilson@dimock.com
Correspondent Name:	Jenna L. Wilson
Address Line 1:	20 Queen St. West, Suite 3202, Box 102
Address Line 2:	Dimock Stratton LLP
Address Line 4:	Toronto, CANADA M5H 3R3
ATTORNEY DOCKET NUMBER:	1144-6/JLW
NAME OF SUBMITTER:	Jenna L. Wilson
<b>Total Attachments: 29</b> source=Change of Name#page1.tif source=Change of Name#page2.tif source=Change of Name#page3.tif source=Change of Name#page4.tif	

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5. Check A or B  
Cocher A ou B

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A) The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

A) Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.

or  
ou

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B) The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

B) Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of  
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.  
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations <i>Dénomination sociale des sociétés qui fusionnent</i>	Ontario Corporation Number <i>Numéro de la société en Ontario</i>	Date of Adoption/Approval <i>Date d'adoption ou d'approbation</i> Year / année Month / mois Day / jour
ACXSYS CORPORATION	1188257	2003-Oct-16
CERTAPAY INC.	1488058	2003-Oct-16

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
*Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.*

None

7. The classes and any maximum number of shares that the corporation is authorized to issue:  
*Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :*

The Corporation is authorized to issue an unlimited number of five (5) classes of shares designated as (i) Class A Shares; (ii) Class B Shares; (iii) Class C Shares; (iv) Class D Shares; and (v) Class E Shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :*

See Schedule 1 attached.

**Schedule 1****I. GENERAL****A. Purpose**

This document establishes the rights, privileges, restrictions and conditions attached to each class of shares in the capital stock of the Corporation.

**B. Number of Classes**

There shall be five (5) classes of shares of the Corporation: Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares, as more fully described below.

**C. Definitions**

In this document, the following terms shall have the following meanings:

- (i) “**Act**” means the *Business Corporations Act* (Ontario) as amended, re-enacted or replaced from time to time;
- (ii) “**Board**” means the board of directors of the Corporation;
- (iii) “**CertaPay Division**” means that portion of the Corporation’s business that relates to, or is derived from, the business of the predecessor corporation CertaPay Inc. and includes any future business expansion, growth or development of that business;
- (iv) “**Class A Holders**” means holders of Class A Shares of the Corporation;
- (v) “**Class B Holders**” means holders of Class B Shares of the Corporation;
- (vi) “**Class C Holders**” means holders of Class C Shares of the Corporation;
- (vii) “**Class D Holders**” means holders of Class D Shares of the Corporation;
- (viii) “**Class E Holders**” means holders of Class E Shares of the Corporation;
- (ix) “**Corporation**” means Acxsys Corporation; and
- (x) “**Shareholder**” means a shareholder of the Corporation.

## **II. SPECIFIC SHARE CONDITIONS**

### **A. Class A Shares**

#### **1. Voting Rights**

Class A Holders shall be entitled to receive notice of and to attend all annual and special meetings of the Shareholders and shall have one vote for each Class A Share held, except for meetings at which only holders of another specified class of shares of the Corporation are entitled to vote separately as a class.

#### **2. Dividends**

Class A Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class A Holders.

#### **3. Dissolution**

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class A Holders shall be entitled to receive \$1.00 per Class A Share held, subject to the prior rights of Class C Holders, Class D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class A Shares.

### **B. Class B Shares**

#### **1. Voting Rights**

Each Class B Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

#### **2. Dividends**

Subject to the prior rights of Class C Holders, Class D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class B Shares, Class B Holders shall be entitled to receive dividends as and when declared by the Board, out of moneys properly applicable to the payment of dividends, in an amount and in the form as the Board determines. All dividends that the Board declares on the Class B Shares shall be declared and paid in equal amounts per share on all Class B Shares then outstanding.

#### **3. Dissolution**

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class B Holders shall be entitled to receive the remaining property and assets of the Corporation, subject to the prior entitlements of Class A Holders, Class C Holders, Class



D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class B Shares.

**C. Class C Shares**

1. Consideration for Issue

The consideration for the issue of the Class C Shares is \$1.00 per share.

2. Voting Rights

Each Class C Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

3. Dividends

Class C Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class C Holders.

4. Dissolution

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class C Holders shall be entitled to receive, prior to and in preference to any distribution to Class A Holders, Class B Holders or the holders of any other class of shares of the Corporation ranking junior to the Class C Shares, an amount equal to \$1.00 per Class C Share then outstanding, provided that this distribution is made from the assets of the CertaPay Division in Canada. This priority only exists to the extent of the assets of the Corporation that specifically are attributable to the CertaPay Division in Canada. After payment of the amounts provided in this section C.4, Class C Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5. Redemption by the Corporation

(a) Subject to the articles of the Corporation and the provisions of the Act, the Corporation may, upon giving notice as provided below, redeem at any time the whole or from time to time any part of the then outstanding Class C Shares on payment for each share to be redeemed of an amount per share equal to \$1.00. This redemption shall be made out of moneys available from the CertaPay Division based on its operations in Canada.

(b) To redeem Class C Shares, the Corporation shall, at least 20 days before the date specified for redemption, provide notice to the Class C Holders. Notice shall be deemed to be provided to any Class C Holder that either attended or received minutes of the meeting of the Shareholders at which the Corporation decided to redeem the Class C Shares. With respect to other Class C Holders, the Corporation shall mail a notice of redemption to each person who at the date of mailing is a registered holder of Class C Shares to be redeemed. The notice shall be mailed by letter, postage prepaid, addressed

to each Class C Holder at the address as it appears on the records of the Corporation provided, however, that accidental failure to give any such notice to one or more of the Class C Holders shall not affect the validity of the redemption. The notice shall set out the number of Class C Shares to be redeemed and the date on which redemption is to take place.

(c) On or after the date specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the Class C Holders the redemption price on the Class C Shares to be redeemed on presentation and surrender of the certificates representing the Class C Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice of redemption. If only a part of the Class C Shares represented by any certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of paragraph (e) below, on and after the date specified for redemption, the Class C Holders shall not be entitled to exercise any of the rights of shareholders in respect of the Class C Shares called for redemption unless payment of the redemption price is not made upon the presentation of certificates in accordance with these provisions, (in which case the rights of the Class C Holders shall remain unaffected).

(d) The Corporation shall have the right, at any time on or after it has provided notice of its intention to redeem any Class C Shares, to deposit the redemption price of the shares so called for redemption or of any of the shares that have not, at the date of deposit, been surrendered in connection with the redemption, to a special account in a specified chartered bank or a specified trust company in Canada, named in the notice of redemption, to be paid without interest to or to the order of the respective holders of the Class C Shares called for redemption upon presentation and surrender of the certificates representing the Class C Shares to the named bank or trust company. Upon the deposit being made or upon the date specified for redemption in the notice, whichever is later, the Class C Shares in respect of which the deposit shall have been made shall be deemed to be redeemed and all rights in connection with the holding of these shares shall be limited to receiving, without interest, the proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of six (6) years from the date specified for redemption shall be forfeited to the Corporation.

(e) In the event that only part of the Class C Shares is at any time to be redeemed, the shares to be redeemed shall be selected pro rata (disregarding fractions) according to the number of Class C Shares held by each holder of record as at the date of the notice of redemption.

**D. Class D Shares****1. Voting Rights**

Each Class D Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

**2. Dividends**

The Class D Holders shall be entitled to receive dividends after any and all outstanding Class E Shares have been redeemed by the Corporation and the Corporation shall pay dividends on Class D Shares as and when declared by the Board out of moneys properly applicable to the payment of dividends from the CertaPay Business based on its operations outside of Canada, in such amount and in such form as the Board may from time to time determine. All dividends which the Board may declare on the Class D Shares shall be declared and paid in equal amounts per share on all Class D Shares then outstanding.

**3. Dissolution**

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, the Class D Holders shall be entitled to receive an amount equal to the value of the business of the CertaPay Division outside of Canada, subject to the prior entitlements of Class E Holders and less the value of such prior entitlements. This entitlement is prior to and in preference to any distribution to Class A Holders, Class B Holders or the holders of any other class of shares of the Corporation ranking junior to the Class D Shares. After payment of the amounts set out in this section D.3, Class D Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

**E. Class E Shares****1. Consideration for Issue**

The consideration for the issue of the Class E Shares is \$1.00 per share.

**2. Voting Rights**

Each Class E Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

**3. Dividends**

Class E Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class E Holders.

4. Dissolution

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class E Holders shall be entitled to receive, prior to and in preference to any distribution to Class A Holders, Class B Holders, Class D Holders or the holders of any other class of shares of the Corporation ranking junior to the Class E Shares, an amount equal to \$1.00 per Class E Share then outstanding, provided that this distribution is made from the assets of the CertaPay Division outside of Canada. This priority only exists to the extent of the assets of the Corporation that specifically are attributable to the CertaPay Division outside of Canada. After payment of the amounts provided in this section E.4, Class E Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5. Redemption by the Corporation

(a) Subject to the articles of the Corporation and the provisions of the Act, the Corporation may, upon giving notice as provided below, redeem at any time the whole or from time to time any part of the then outstanding Class E Shares on payment for each share to be redeemed of an amount per share equal to \$1.00. This redemption shall be made out of moneys available from the CertaPay Division based on its operations outside of Canada.

(b) To redeem Class E Shares, the Corporation shall, at least 20 days before the date specified for redemption, provide notice to the Class E Holders. Notice shall be deemed to be provided to any Class E Holder that has either attended or received minutes of the meeting of the Shareholders at which the Corporation decided to redeem the Class E Shares. With respect to other Class E Holders, the Corporation shall mail a notice of redemption to each person who at the date of mailing is a registered holder of Class E Shares to be redeemed. The notice shall be mailed by letter, postage prepaid, addressed to each Class E Holder at the address as it appears on the records of the Corporation provided, however, that accidental failure to give any such notice to one or more of the Class E Holders shall not affect the validity of the redemption. The notice shall set out the number of Class E Shares to be redeemed and the date on which redemption is to take place.

(c) On or after the date specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the Class E Holders the redemption price on the Class E Shares to be redeemed on presentation and surrender of the certificates representing the Class E Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice of redemption. If only a part of the Class E Shares represented by any certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of paragraph (e) below, on and after the date specified for redemption, the Class E Holders shall not be entitled to exercise any of the rights of shareholders in respect of the Class E Shares called for redemption unless payment of the redemption price is not made upon the presentation of certificates in accordance with these provisions, (in which case the rights of the Class E Holders shall remain unaffected).

(d) The Corporation shall have the right, at any time on or after it has provided notice of its intention to redeem any Class E Shares, to deposit the redemption price of the shares so called for redemption or of any of the shares that have not, at the date of deposit, been surrendered in connection with the redemption, to a special account in a specified chartered bank or a specified trust company in Canada, named in the notice of redemption, to be paid without interest to or to the order of the respective holders of the Class E Shares called for redemption upon presentation and surrender of the certificates representing the Class E Shares to the named bank or trust company. Upon the deposit being made or upon the date specified for redemption in the notice, whichever is later, the Class E Shares in respect of which the deposit shall have been made shall be deemed to be redeemed and all rights in connection with the holding of these shares shall be limited to receiving, without interest, the proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of six (6) years from the date specified for redemption shall be forfeited to the Corporation.

(e) In the event that only part of the Class E Shares is at any time to be redeemed, the shares to be redeemed shall be selected pro rata (disregarding fractions) according to the number of Class E Shares held by each holder of record as at the date of the notice of redemption.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
*L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :*

No shares shall be transferred without the consent of all the holders of the voting shares of the Corporation expressed by a resolution passed by all of the holders of the voting shares of the Corporation or by an instrument or instruments in writing signed by all the holders of the voting shares of the Corporation, provided that such consent shall be deemed to have been granted with respect to all share transfers which are permitted by, and completed in accordance with, the terms of any unanimous shareholder agreement among the shareholders of the Corporation.

10. Other provisions, (if any):  
*Autres dispositions, s'il y a lieu :*

#### Limitation on Number of Shareholders

The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to fifty (50), two (2) or more persons who are the joint registered owners of one (1) or more shares being counted as one (1) shareholder.

#### No Public Distribution

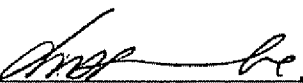
Any invitation to the public to subscribe for securities of the Corporation is prohibited.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".  
*Les déclarations exigées aux termes du paragraphe 178(2) de la Loi sur les sociétés par actions constituent l'annexe A.*
12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".  
*Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.*


These articles are signed in duplicate.  
*Les présents statuts sont signés en double exemplaire.*

Names of the amalgamating corporations and signatures and descriptions of office of their proper officers.  
*Dénomination sociale des sociétés qui fusionnent, signature et fonction de leurs dirigeants régulièrement désignés.*

ACXSYS CORPORATION

By:   
Marc-André Lacombe  
Secretary

CERTAPAY INC.

By:   
Rod Whitwham  
President

## SCHEDULE A

### STATEMENT OF OFFICER OF CERTAPAY INC.

1. I, Rod Whitwham, am the President of CertaPay Inc. (the "**Corporation**"), one of the amalgamating corporations listed in the Articles of Amalgamation to which this statement is attached.

2. Having conducted such examinations of the books and records of the Corporation and having made such inquiries and investigations as are necessary to enable me to make this statement, I hereby state that there are reasonable grounds for believing that:

- (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
- (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
- (c) no creditor will be prejudiced by the amalgamation.

**DATED** as of the 16<sup>th</sup> day of October, 2003.

  
\_\_\_\_\_  
Rod Whitwham



## SCHEDULE A

### STATEMENT OF OFFICER OF ACXSYS CORPORATION

1. I, Marc-André Lacombe, am the Secretary of Acxsys Corporation (the "**Corporation**"), one of the amalgamating corporations listed in the Articles of Amalgamation to which this statement is attached.

2. Having conducted such examinations of the books and records of the Corporation and having made such inquiries and investigations as are necessary to enable me to make this statement, I hereby state that there are reasonable grounds for believing that:

- (d) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
- (e) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
- (f) no creditor will be prejudiced by the amalgamation.

**DATED** as of the 16<sup>th</sup> day of October, 2003.

  
\_\_\_\_\_  
Marc-André Lacombe

SCHEDULE "B"

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 16<sup>th</sup> day of October, 2003

B E T W E E N:

ACXSYS CORPORATION, a corporation incorporated under the *Business Corporations Act* (Ontario) ("Acxsys")

- and -

CERTAPAY INC., a corporation existing under the *Business Corporations Act* (Ontario) ("CertaPay").

WHEREAS the parties hereto acting under the authority contained in the *Business Corporations Act* (Ontario) (the "Act") have agreed to amalgamate upon the terms and conditions hereinafter set out with effect from October 23, 2003;

AND WHEREAS the authorized capital of Acxsys consists of an unlimited number of Class A Shares, an unlimited number of Class B Shares and 9000 Class C Preference Shares of which ten (10) Class A Shares and 3,924,872 Class B Shares are issued and outstanding;

AND WHEREAS the authorized capital of CertaPay consists of an unlimited number of common shares, an unlimited number of Class A Preferred Shares, an unlimited number of Class B Convertible Preferred Shares and an unlimited number of Class C Convertible Preferred Shares, issuable in series, of which 5,500,000 common shares and 6,824,000 Class A Preferred Shares are issued and outstanding;

AND WHEREAS the parties hereto have each made full disclosure to the other party of all their respective assets and liabilities;

AND WHEREAS it is desirable that the said amalgamation should be effected;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. **Definitions.** In this agreement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Act" means the *Business Corporations Act* (Ontario);

“**Agreement**” means this amalgamation agreement as the same may be amended, modified or supplemented from time to time and “**hereof**”, “**herein**”, “**hereto**” and “**hereunder**” and similar expressions mean and refer to this Agreement and not to any particular Article or Section of this Agreement;

“**Amalgamated Corporation**” means the corporation continuing from the amalgamation of Acxsys and CertaPay; and

“**Amalgamating Corporation**” means each of Acxsys and CertaPay.

2. **Interpretation.** In this Agreement, unless the context otherwise requires, words used importing the singular include the plural and vice versa and words importing gender will include all genders. The headings and numbering contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

3. **Amalgamation.** Each of the Amalgamating Corporations hereby agrees to amalgamate under the provisions of the Act and to continue as one corporation with effect from October 23, 2003, under the terms and conditions set out in this Agreement.

4. **Name.** The name of the Amalgamated Corporation shall be Acxsys Corporation.

5. **Registered Office.** Until changed in accordance with the Act, the place in Ontario where the registered office of the Amalgamated Corporation shall be situate is the City of Toronto and the address of the registered office shall be 121 King Street West, Suite 1905, Toronto, Ontario, M5H 3T9.

6. **Business.** There shall be no restrictions on the business the Amalgamated Corporation may carry on.

7. **By-Laws.** The by-laws of Acxsys Corporation shall, to the extent not inconsistent with this Agreement, be the by-laws of the Amalgamated Corporation, until repealed or amended. A copy of the proposed by-laws may be examined at the offices of Blake, Cassels & Graydon LLP located at Commerce Court West, 199 Bay Street, Suite 2800, Toronto, Ontario, M5L 1A9.

8. **Classes and Number of Shares Authorized.** The Amalgamated Corporation shall be authorized to issue five (5) classes of shares consisting of (i) an unlimited number of Class A Shares; (ii) an unlimited number of Class B Shares; (iii) an unlimited number of Class C Shares; (iv) an unlimited number of Class D Shares; and (v) an unlimited number of Class E Shares. The rights, privileges, restrictions and conditions attaching to each class of shares of the Amalgamated Corporation are described in Schedule A to this Agreement.

9. **Conversion and Exchange of Shares.** The issued shares of the Amalgamating Corporations shall be converted into issued shares of the Amalgamated Corporation as follows:

- (a) the ten (10) issued Class A Shares of Acxsys, being all of the issued and outstanding Class A Shares of Acxsys, shall be converted into ten (10) issued Class A Shares of the Amalgamated Corporation;

- (b) the 3,924,872 issued Class B Shares of Acxsys, being all of the issued and outstanding Class B Shares of Acxsys, shall be converted into eight (8) issued Class B Shares of the Amalgamated Corporation;
- (c) the 6,824,000 issued Class A Preferred Shares of CertaPay, being all of the issued and outstanding Class A Preferred Shares of CertaPay, shall be converted into 6,824,000 issued Class C Shares of the Amalgamated Corporation; and
- (d) the 5,500,000 issued Common Shares of CertaPay, being all of the issued and outstanding Common Shares of CertaPay, shall be converted into 5,500,000 issued Class C Shares and five (5) issued Class D Shares of the Amalgamated Corporation.

After the endorsement of the certificate on the Articles of Amalgamation, the shareholders of each of the Amalgamating Corporations, shall, when requested by the Amalgamated Corporation, surrender any certificates representing shares held by them in the Amalgamating Corporations, and in return shall be entitled to receive certificates for shares of the Amalgamated Corporation as set out above.

10. **Restrictions on Transfer.** The right to transfer shares of the Amalgamated Corporation shall be restricted in that no shares shall be transferred without the consent of all the holders of the voting shares of the Corporation expressed by a resolution passed by all of the holders of the voting shares of the Corporation or by an instrument or instruments in writing signed by all the holders of the voting shares of the Corporation, provided that such consent shall be deemed to have been granted with respect to all share transfers which are permitted by, and completed in accordance with, the terms of any unanimous shareholder agreement among the shareholders of the Corporation.

11. **Other Restrictions.**

It shall be a condition of the articles:

- (a) that the number of shareholders of the Amalgamated Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Amalgamated Corporation, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Amalgamated Corporation, is limited to fifty (50), two (2) or more persons who are the joint registered owners of one (1) or more shares being counted as one (1) shareholder; and
- (b) that any invitation to the public to subscribe for securities of the Amalgamated Corporation is prohibited.

12. **Directors.** Until changed in accordance with the Act, there shall be a minimum of one (1) director and a maximum of twelve (12) directors of the Amalgamated Corporation. The first director of the Amalgamated Corporation shall be:

<u>NAME</u>	<u>ADDRESS</u>	<u>RESIDENT CANADIAN</u> <u>(Yes or No)</u>
Judith Wolfson	106 Kendal Avenue Toronto, Ontario M5R 1L9	Yes

The first director shall hold office until the first meeting of the shareholders of the Amalgamated Corporation or until her successor is elected or appointed.

13. **Officers.** Until changed, the officers of the Amalgamated Corporation shall be:

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
Judith Wolfson	106 Kendal Avenue Toronto, Ontario M5R 1L9	President
Marc-André Lacombe	134 Westmount Avenue Toronto, Ontario M6H 3K4	Secretary
Frank Andreacchi	1521 Nipissing Court Pickering, Ontario L1V 6T7	Treasurer

14. **Financial Year End.** Until otherwise determined by resolution of the shareholders, the financial year of the Amalgamated Corporation shall end on the 23<sup>rd</sup> day of October in each year.

15. **Filing of Articles.** Upon the shareholders of the Amalgamating Corporations respectively adopting this Agreement, Articles of Amalgamation in prescribed form shall be sent to the Director under the Act.

16. **Effect of Amalgamation.** On the date shown in the Certificate of Amalgamation:

- (a) the Amalgamating Corporations are amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement;
- (b) the Amalgamated Corporation possesses all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations;
- (c) a conviction against, or ruling, order or judgment in favour or against an Amalgamating Corporation may be enforced by or against the Amalgamated Corporation;

- (d) the Articles of Amalgamation are deemed to be the Articles of Incorporation of the Amalgamated Corporation and, except for the purposes of subsection 117(1) of the Act, the Certificate of Amalgamation is deemed to be the Certificate of Incorporation of the Amalgamated Corporation; and
- (e) the Amalgamated Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the amalgamation has become effective.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

18. **Entire Agreement.** This Agreement, including the Schedule hereto, constitutes the entire agreement between the Amalgamating Corporations pertaining to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Amalgamating Corporations.

19. **Time of Essence.** Time shall be of the essence of this Agreement and every part hereof.

20. **Further Assurances.** Each of the Amalgamating Corporations covenants and agrees that it and its successors and permitted assigns will sign such further agreements, assurances, papers and documents, attend such meetings, enact such by-laws, pass such resolutions and exercise such votes and generally do and perform or cause to be done and performed such further and other acts and things that may be necessary or desirable from time to time in order to give full effect to this Agreement.

21. **Amendment and Waivers.** No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party.

22. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF** this Agreement has been duly executed by the parties to this Agreement.

**ACXSYS CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**CERTAPAY INC.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**

**RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS  
OF SHARE CAPITAL OF THE AMALGAMATED CORPORATION**



## SHARE CONDITIONS

### **I. GENERAL**

#### **A. Purpose**

This document establishes the rights, privileges, restrictions and conditions attached to each class of shares in the capital stock of the Corporation.

#### **B. Number of Classes**

There shall be five (5) classes of shares of the Corporation: Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares, as more fully described below.

#### **C. Definitions**

In this document, the following terms shall have the following meanings:

- (i) **“Act”** means the *Business Corporations Act* (Ontario) as amended, re-enacted or replaced from time to time;
- (ii) **“Board”** means the board of directors of the Corporation;
- (iii) **“CertaPay Division”** means that portion of the Corporation’s business that relates to, or is derived from, the business of the predecessor corporation CertaPay Inc. and includes any future business expansion, growth or development of that business;
- (iv) **“Class A Holders”** means holders of Class A Shares of the Corporation;
- (v) **“Class B Holders”** means holders of Class B Shares of the Corporation;
- (vi) **“Class C Holders”** means holders of Class C Shares of the Corporation;
- (vii) **“Class D Holders”** means holders of Class D Shares of the Corporation;
- (viii) **“Class E Holders”** means holders of Class E Shares of the Corporation;
- (ix) **“Corporation”** means Acxsys Corporation; and
- (x) **“Shareholder”** means a shareholder of the Corporation.

## **II. SPECIFIC SHARE CONDITIONS**

### **A. Class A Shares**

#### **1. Voting Rights**

Class A Holders shall be entitled to receive notice of and to attend all annual and special meetings of the Shareholders and shall have one vote for each Class A Share held, except for meetings at which only holders of another specified class of shares of the Corporation are entitled to vote separately as a class.

#### **2. Dividends**

Class A Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class A Holders.

#### **3. Dissolution**

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class A Holders shall be entitled to receive \$1.00 per Class A Share held, subject to the prior rights of Class C Holders, Class D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class A Shares.

### **B. Class B Shares**

#### **1. Voting Rights**

Each Class B Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

#### **2. Dividends**

Subject to the prior rights of Class C Holders, Class D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class B Shares, Class B Holders shall be entitled to receive dividends as and when declared by the Board, out of moneys properly applicable to the payment of dividends, in an amount and in the form as the Board determines. All dividends that the Board declares on the Class B Shares shall be declared and paid in equal amounts per share on all Class B Shares then outstanding.

#### **3. Dissolution**

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class B Holders shall be entitled to receive the remaining property and assets of the Corporation, subject to the prior entitlements of Class A Holders, Class C Holders, Class

D Holders, Class E Holders and holders of any other class of shares of the Corporation ranking senior to the Class B Shares.

**C. Class C Shares**

1. Consideration for Issue

The consideration for the issue of the Class C Shares is \$1.00 per share.

2. Voting Rights

Each Class C Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

3. Dividends

Class C Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class C Holders.

4. Dissolution

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class C Holders shall be entitled to receive, prior to and in preference to any distribution to Class A Holders, Class B Holders or the holders of any other class of shares of the Corporation ranking junior to the Class C Shares, an amount equal to \$1.00 per Class C Share then outstanding, provided that this distribution is made from the assets of the CertaPay Division in Canada. This priority only exists to the extent of the assets of the Corporation that specifically are attributable to the CertaPay Division in Canada. After payment of the amounts provided in this section C.4, Class C Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5. Redemption by the Corporation

(a) Subject to the articles of the Corporation and the provisions of the Act, the Corporation may, upon giving notice as provided below, redeem at any time the whole or from time to time any part of the then outstanding Class C Shares on payment for each share to be redeemed of an amount per share equal to \$1.00. This redemption shall be made out of moneys available from the CertaPay Division based on its operations in Canada.

(b) To redeem Class C Shares, the Corporation shall, at least 20 days before the date specified for redemption, provide notice to the Class C Holders. Notice shall be deemed to be provided to any Class C Holder that either attended or received minutes of the meeting of the Shareholders at which the Corporation decided to redeem the Class C Shares. With respect to other Class C Holders, the Corporation shall mail a notice of redemption to each person who at the date of mailing is a registered holder of Class C Shares to be redeemed. The notice shall be mailed by letter, postage prepaid, addressed

to each Class C Holder at the address as it appears on the records of the Corporation provided, however, that accidental failure to give any such notice to one or more of the Class C Holders shall not affect the validity of the redemption. The notice shall set out the number of Class C Shares to be redeemed and the date on which redemption is to take place.

(c) On or after the date specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the Class C Holders the redemption price on the Class C Shares to be redeemed on presentation and surrender of the certificates representing the Class C Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice of redemption. If only a part of the Class C Shares represented by any certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of paragraph (e) below, on and after the date specified for redemption, the Class C Holders shall not be entitled to exercise any of the rights of shareholders in respect of the Class C Shares called for redemption unless payment of the redemption price is not made upon the presentation of certificates in accordance with these provisions, (in which case the rights of the Class C Holders shall remain unaffected).

(d) The Corporation shall have the right, at any time on or after it has provided notice of its intention to redeem any Class C Shares, to deposit the redemption price of the shares so called for redemption or of any of the shares that have not, at the date of deposit, been surrendered in connection with the redemption, to a special account in a specified chartered bank or a specified trust company in Canada, named in the notice of redemption, to be paid without interest to or to the order of the respective holders of the Class C Shares called for redemption upon presentation and surrender of the certificates representing the Class C Shares to the named bank or trust company. Upon the deposit being made or upon the date specified for redemption in the notice, whichever is later, the Class C Shares in respect of which the deposit shall have been made shall be deemed to be redeemed and all rights in connection with the holding of these shares shall be limited to receiving, without interest, the proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of six (6) years from the date specified for redemption shall be forfeited to the Corporation.

(e) In the event that only part of the Class C Shares is at any time to be redeemed, the shares to be redeemed shall be selected pro rata (disregarding fractions) according to the number of Class C Shares held by each holder of record as at the date of the notice of redemption.

**D. Class D Shares**

1. Voting Rights

Each Class D Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

2. Dividends

The Class D Holders shall be entitled to receive dividends after any and all outstanding Class E Shares have been redeemed by the Corporation and the Corporation shall pay dividends on Class D Shares as and when declared by the Board out of moneys properly applicable to the payment of dividends from the CertaPay Business based on its operations outside of Canada, in such amount and in such form as the Board may from time to time determine. All dividends which the Board may declare on the Class D Shares shall be declared and paid in equal amounts per share on all Class D Shares then outstanding.

3. Dissolution

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, the Class D Holders shall be entitled to receive an amount equal to the value of the business of the CertaPay Division outside of Canada, subject to the prior entitlements of Class E Holders and less the value of such prior entitlements. This entitlement is prior to and in preference to any distribution to Class A Holders, Class B Holders or the holders of any other class of shares of the Corporation ranking junior to the Class D Shares. After payment of the amounts set out in this section D.3, Class D Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

**E. Class E Shares**

1. Consideration for Issue

The consideration for the issue of the Class E Shares is \$1.00 per share.

2. Voting Rights

Each Class E Holder shall be entitled to receive notice of and to attend all meetings of the Shareholders, but shall not have any voting rights, except as required under the Act or otherwise by law.

3. Dividends

Class E Holders shall not be entitled to any dividends and the Corporation shall not pay any dividends to Class E Holders.

4. Dissolution

If the Corporation is dissolved, liquidated or wound up (whether voluntary or involuntary), or if its assets are distributed among the Shareholders to wind up its affairs, Class E Holders shall be entitled to receive, prior to and in preference to any distribution to Class A Holders, Class B Holders, Class D Holders or the holders of any other class of shares of the Corporation ranking junior to the Class E Shares, an amount equal to \$1.00 per Class E Share then outstanding, provided that this distribution is made from the assets of the CertaPay Division outside of Canada. This priority only exists to the extent of the assets of the Corporation that specifically are attributable to the CertaPay Division outside of Canada. After payment of the amounts provided in this section E.4, Class E Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5. Redemption by the Corporation

(a) Subject to the articles of the Corporation and the provisions of the Act, the Corporation may, upon giving notice as provided below, redeem at any time the whole or from time to time any part of the then outstanding Class E Shares on payment for each share to be redeemed of an amount per share equal to \$1.00. This redemption shall be made out of moneys available from the CertaPay Division based on its operations outside of Canada.

(b) To redeem Class E Shares, the Corporation shall, at least 20 days before the date specified for redemption, provide notice to the Class E Holders. Notice shall be deemed to be provided to any Class E Holder that has either attended or received minutes of the meeting of the Shareholders at which the Corporation decided to redeem the Class E Shares. With respect to other Class E Holders, the Corporation shall mail a notice of redemption to each person who at the date of mailing is a registered holder of Class E Shares to be redeemed. The notice shall be mailed by letter, postage prepaid, addressed to each Class E Holder at the address as it appears on the records of the Corporation provided, however, that accidental failure to give any such notice to one or more of the Class E Holders shall not affect the validity of the redemption. The notice shall set out the number of Class E Shares to be redeemed and the date on which redemption is to take place.

(c) On or after the date specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the Class E Holders the redemption price on the Class E Shares to be redeemed on presentation and surrender of the certificates representing the Class E Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice of redemption. If only a part of the Class E Shares represented by any certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of paragraph (e) below, on and after the date specified for redemption, the Class E Holders shall not be entitled to exercise any of the rights of shareholders in respect of the Class E Shares called for redemption unless payment of the redemption price is not made upon the presentation of certificates in accordance with these provisions, (in which case the rights of the Class E Holders shall remain unaffected).

(d) The Corporation shall have the right, at any time on or after it has provided notice of its intention to redeem any Class E Shares, to deposit the redemption price of the shares so called for redemption or of any of the shares that have not, at the date of deposit, been surrendered in connection with the redemption, to a special account in a specified chartered bank or a specified trust company in Canada, named in the notice of redemption, to be paid without interest to or to the order of the respective holders of the Class E Shares called for redemption upon presentation and surrender of the certificates representing the Class E Shares to the named bank or trust company. Upon the deposit being made or upon the date specified for redemption in the notice, whichever is later, the Class E Shares in respect of which the deposit shall have been made shall be deemed to be redeemed and all rights in connection with the holding of these shares shall be limited to receiving, without interest, the proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of six (6) years from the date specified for redemption shall be forfeited to the Corporation.

(e) In the event that only part of the Class E Shares is at any time to be redeemed, the shares to be redeemed shall be selected pro rata (disregarding fractions) according to the number of Class E Shares held by each holder of record as at the date of the notice of redemption.