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06-18-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102126396

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): The Arctic Group Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: March 22, 2002

2. Name and address of receiving party(ies)

Name: Arctic Glacier Inc.

Internal Address:

Street Address: 1900, 715-5 Avenue S.W.

City: Calgary, Alberta Canada T2P 2X6

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 75/821,304

B. Trademark Registration N

06-06-2002

U.S. Patent & TMO/c/TM Mail RptDt. #70

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: John F. McKenna

Internal Address:

Street Address: Cesari and McKenna, LLP 88 Black Falcon Ave.

City: Boston State: MA Zip: 02210

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

03-1237

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

John F. McKenna 20.912

Name of Person Signing

Signature

Date

20

Total number of pages including cover sheet, attachments, and document:

06/17/2002 DBYRNE 0000050 75821304

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40.00.00

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002526 FRAME: 0054

Certified Copy

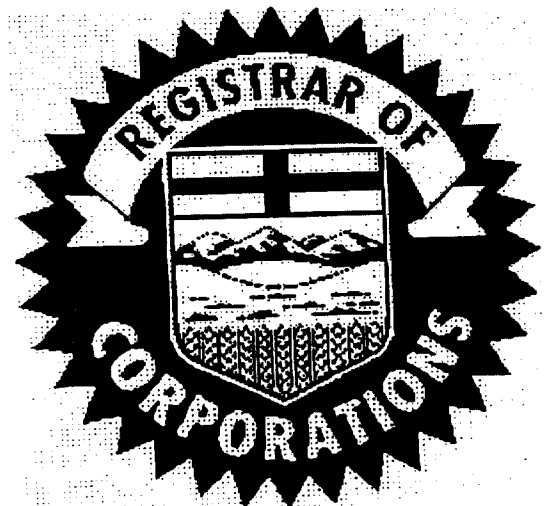
CORPORATE ACCESS NUMBER: 209803949

Alberta

BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
AMALGAMATION**

ARCTIC GLACIER INC.
IS THE RESULT OF AN AMALGAMATION FILED ON 2002/03/22.



TRADEMARK
REEL: 002526 FRAME: 0055

Certified Copy

Articles of Amalgamation For ARCTIC GLACIER INC.

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO AND FORMING A PART
HEREOF

Share Transfers Restrictions: NONE

Number of Directors:

Min Number of Directors: 1

Max Number of Directors: 15

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO AND FORMING A PART
HEREOF

Registration Authorized By: SARA C. REGO
AGENT OF CORPORATION

Certified Copy

Amalgamate Alberta Corporation - Registration Statement

Service Request Number: 3784113
Alberta Corporation Type: Named Alberta Corporation
Legal Entity Name: ARCTIC GLACIER INC.
French Equivalent Name:
Nuans Number:
Nuans Date:
French Nuans Number:
French Nuans Date:

REGISTERED ADDRESS

Street: 1900, 715 - 5 AVENUE S.W.
Legal Description:
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2X6

RECORDS ADDRESS

Street: 1900, 715 - 5 AVENUE S.W.
Legal Description:
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2X6

ADDRESS FOR SERVICE BY MAIL

Post Office Box:
City:
Province:
Postal Code:
Internet Mail ID:

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO AND FORMING A PART HEREOF
Share Transfers Restrictions: NONE
Number Of Directors:
Min Number Of Directors: 1
Max Number Of Directors: 15

Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO AND FORMING A PART HEREOF

Professional Endorsement Provided:
Future Dating Required:
Registration Date: 2002/03/22

Director

Last Name: NAGY
First Name: ROBERT
Middle Name:
Street/Box Number: 625 HENRY AVENUE
City: WINNIPEG
Province: MANITOBA
Postal Code: R3A 0V1
Country:
Resident Canadian: Y
Named On Stat Dec:

Last Name: CLARK
First Name: JAMES
Middle Name: E.
Street/Box Number: 510, 1450 PENNYFARTHING DRIVE
City: VANCOUVER
Province: BRITISH COLUMBIA
Postal Code: V6J 4X8
Country:
Resident Canadian: Y
Named On Stat Dec:

Last Name: BURROWS
First Name: KEITH
Middle Name: F.
Street/Box Number: 80 SHIER DRIVE
City: WINNIPEG
Province: MANITOBA
Postal Code: R3R 2H8
Country:
Resident Canadian: Y
Named On Stat Dec:

Last Name: HYNDMAN
First Name: PETER
Middle Name: STEWART
Street/Box Number: 8363 CHATEAU PLACE
City: VANCOUVER
Province: BRITISH COLUMBIA
Postal Code: V6P 6V6
Country:
Resident Canadian: Y
Named On Stat Dec:

Last Name: SWAINE
First Name: DAVID
Middle Name: R.
Street/Box Number: 108 PERRY CRESCENT
City: TORONTO
Province: ONTARIO
Postal Code: M9A 1K6
Country:
Resident Canadian: Y
Named On Stat Dec:

Last Name: FILMON
First Name: GARY
Middle Name: A.
Street/Box Number: 36 JAYMORR DRIVE
City: WINNIPEG
Province: MANITOBA
Postal Code: R3R 1Y1
Country:
Resident Canadian: Y
Named On Stat Dec:

Amalgamating Corporation

Corporate Access Number	Legal Entity Name
206863631	THE ARCTIC GROUP INC.
209692854	ARCTIC GLACIER INC.

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2002/03/22
Other Rules or Provisions	ELECTRONIC	2002/03/22
Articles/Plan of Arrangement/Court Order	ELECTRONIC	2002/03/22
Court Order	10000999000635309	2002/03/22
Statutory Declaration	10000799000635310	2002/03/22

Registration Authorized By: SARA C. REGO
AGENT OF CORPORATION

SCHEDULE "A"

attached to and forming part
of Section 2
of the Articles of Amalgamation
of Arctic Glacier Inc. (the "Corporation")

An unlimited number of Common Shares without nominal or
par value to which shares shall be attached the right to:

(a) vote at any meeting of shareholders of the
Corporation;

(b) receive any dividend declared by the Corporation;
and

(c) receive the remaining property of the Corporation
upon dissolution.

SCHEDULE "B"

attached to and forming part
of Section 6

of the Articles of Amalgamation
of Arctic Glacier Inc. (the "Corporation")

1. The directors of the Corporation may, without authorization of the shareholders:

(a) borrow money on the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) subject to the Business Corporations Act of Alberta, give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

2. The directors may, by resolution, delegate the powers referred to in subsection (a) hereof to a director, a committee of directors or an officer.

3. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.

4. Meetings of the shareholders may be held at any place within Canada or the United States of America.

PLAN OF ARRANGEMENT MADE PURSUANT TO
SECTION 193
OF THE
BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 In this Arrangement, the following meanings:

- (a) "ABCA" means the Business Corporations Act (Alberta), S.A. 2000, c.B-9, as amended, including the regulations promulgated hereunder;
- (b) "AcquisitionCo" means Arctic Glacier Inc., a corporation incorporated under the ABCA;
- (c) "AcquisitionCo Common Shares" means the common shares in the capital of AcquisitionCo;
- (d) "Aggregate Note Amount" means \$9.50 multiplied by the number of Common Shares outstanding immediately prior to the Effective Date (other than shares held by a Dissenting Shareholder) divided by 6, providing that the Aggregate Note Amount may be reduced to an amount as determined by Arctic Glacier and the Fund at the time of the issuance of the Subordinated Notes to the extent determined necessary by Arctic Glacier and the Fund.
- (e) "Amalco Common Shares" means the common shares in the capital of the Amalgamated Corporation having substantially the rights, privileges, restrictions and conditions set forth in Schedule "B" hereto;
- (f) "Amalgamated Corporation" means the corporation resulting from the Amalgamation;
- (g) "Amalgamating Corporations" means the Company and AcquisitionCo;
- (h) "Amalgamation" means the amalgamation of the Company and AcquisitionCo pursuant to the provisions of the Arrangement;
- (i) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (j) "Arrangement Agreement" means the agreement made as of January 31, 2001 between Arctic, AcquisitionCo and the Fund with respect to the Arrangement and all amendments thereto;
- (k) "Articles of Arrangement" means the articles of arrangement in respect of the Arrangement required by the ABCA to be filed with the Registrar after the Final Order has been made;
- (l) "business day" means a day, which is not a Saturday, Sunday or statutory holiday, when banks in the place at which any action is required to be taken hereunder are generally open for the transaction of commercial banking business;

(m) "Certificate" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or subsection 193(12) of the ABCA giving effect to the Arrangement;

(n) "Common Shares" means the common shares in the capital of Arctic;

(o) "Company" or "Arctic" means The Arctic Group Inc., a corporation incorporated under the ABCA;

(p) "Court" means the Court of Queen's Bench of Alberta;

(q) "Debentures" mean the convertible debentures issued by the Company on November 27, 1997 in the aggregate principal amount of \$6 million bearing interest at 8.5% and maturing on December 8, 2002 which are convertible into Common Shares at the option of the holder at any time prior to maturity at a rate of 1 common share for each \$1.50 of aggregate principal amount of the Debenture converted;

(r) "Debentureholders" means holders from time to time of Debentures;

(s) "Depository" means Computershare Trust Company of Canada as the registrar and transfer agent of the Units;

(t) "Dissenting Options" means all Options which are deemed to have been cancelled on the Effective Date in accordance with the provisions of paragraph 4.1 (a) of the Plan of Arrangement;

(u) "Dissenting Securityholders" means registered holders of Common Shares or Options who validly exercise the rights of dissent provided to them under the Interim Order;

(v) "Dissenting Shares" means all Common Shares which are deemed to have been cancelled on the Effective Date in accordance with the provisions of paragraph 4.1 (a) of the Plan of Arrangement;

(w) "Effective Date" means the date shown on the Certificate;

(x) "Effective Time" means the time on the Effective Date that the Certificate is issued;

(y) "Final Order" means the final order of the Court approving the Arrangement as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(z) "Fund" means Arctic Glacier Income Fund, a trust duly settled under the laws of Alberta;

(aa) "in-the-money Options" means Options which are exercisable, at the relevant time, at less than the then current trading price of the Common Shares on the TSE;

(bb) "Interim Order" means the interim order of the Court made on January 31, 2002 under the ABCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(cc) "New Debenture Exchange Price" means one Unit for each \$9.50 of the aggregate principal amount of Debentures

converted or exchanged;

(dd) "Note Indenture" means the trust indenture providing for issuance of the Subordinated Notes to be dated the Effective Date and made between Amalco and Computershare Trust Company of Canada as Trustee;

(ee) "Note Trustee" means Computershare Trust Company of Canada, or its successor as trustee under the Note Indenture;

(ff) "Options" means the outstanding options to purchase Common Shares pursuant to Arctic's existing option plan;

(gg) "Optionholders" means holders from time to time of Options;

(hh) "Plan of Arrangement" means this Plan of Arrangement as amended or supplemented from time to time;

(ii) "Registrar" means the Registrar of Corporations duly appointed under the ABCA;

(jj) "Securities" means the Common Shares and Options;

(kk) "Securityholders" means the Optionholders, Shareholders and Debentureholders;

(ll) "Shareholders" means the holders from time to time of Common Shares;

(mm) "Subordinated Notes" means the unsecured, subordinated promissory notes of AcquisitionCo to be issued by AcquisitionCo pursuant to the Arrangement having substantially the terms summarized in Schedule "A" hereto;

(nn) "Trustees" means the duly appointed trustees of the Fund;

(oo) "TD Securities" means TD Securities Inc.; and

(pp) "Unit" means a trust unit of the Fund, each unit representing an equal undivided beneficial interest therein.

1.2 The division of this Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, trusts, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next

succeeding day which is a business day in such place.

1.6 References in this Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations or rules promulgated thereunder from time to time in effect.

1.7 Unless otherwise stated all references in this Arrangement to sums of money are expressed in lawful money of Canada.

1.8 The following schedules to this Arrangement are incorporated by reference herein and form part of this Arrangement:

Schedule A	Terms of Subordinated Notes
Schedule B	Articles of Amalgamation

ARTICLE 2 PURPOSE AND EFFECT OF THE ARRANGEMENT

2.1 The following is only intended to be a general statement of the purpose of the Arrangement and is qualified in its entirety by the specific provisions of the Arrangement:

The purpose of the Arrangement is to effect a reorganization and restructuring of Arctic's share capital in a manner that provides consistent and equitable treatment among Securityholders, maintains the business and goodwill of Arctic as a going concern, results in Arctic and AcquisitionCo amalgamating to form Amalco and Amalco becoming a subsidiary of the Fund, and results, indirectly, in Shareholders, Optionholders who exercise their Options (and thereby acquire Common Shares) prior to the Effective Time becoming holders of Units of the Fund and in Debentureholders having the right to exchange their Debentures for Units.

2.2 At the Effective Time, the Arrangement shall be binding upon Arctic, the Securityholders, AcquisitionCo and the Fund.

2.3 Articles of Arrangement shall be filed with the Registrar with the purpose and intent that none of the provisions of the Arrangement shall become effective unless all of the provisions of the Arrangement shall have become effective. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set out therein.

ARTICLE 3 ARRANGEMENT

3.1 At the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality:

(a) subject to Sections 4.1 and 5.4, each issued and outstanding Common Share shall be and be deemed to be transferred to AcquisitionCo free of any claims and the holder thereof shall be entitled to receive from AcquisitionCo one Subordinated Note in exchange for each 6 Common Shares held;

(b) with respect to each Common Share to which paragraph 3.1(a) applies:

(i) the holder thereof shall cease to be a holder of such Common Share and such holder's name shall be removed from the register of Common Shares with respect to such Common Share as of the Effective Date;

(ii) AcquisitionCo shall be, and be deemed to be, the transferee of such Common Share free of any claims and shall be entered in the register of Common Shares as the holder thereof as of the Effective Date;

(c) subject to Section 5.4, each issued and outstanding Subordinated Note shall be and be deemed to be transferred to the Fund free and clear of any claims and the holder thereof shall be entitled to receive from the Fund in exchange for each such Subordinated Note held, one Unit;

(d) with respect to each Subordinated Note to which paragraph 3.1(c) applies:

(i) the holder thereof shall cease to be a holder of such Subordinated Note and such holder's name shall be removed from the register of Subordinated Notes as of the Effective Date; and

(ii) the Fund shall be, and be deemed to be, the transferee of such Subordinated Notes (free of any claims) and shall be entered in the register of Subordinated Notes as the holder thereof as of the Effective Date;

(e) all outstanding Options that have not been exercised prior to the Effective Time will be cancelled; and

(f) the Debentures will become an obligation of Amalco and will be exchangeable into Units at the New Debenture Exchange Price, while following any exchange, the Debentures will continue to be obligations of Amalco, but will be held by the Fund.

3.2 At the Effective Time, immediately following the events set forth in Section 3.1 above, the Company and AcquisitionCo shall be amalgamated to form the Amalgamated Corporation with the same effect as if Section 181 of the ABCA was applicable to the Amalgamation and each of the events set out below shall occur and be deemed to occur in the following sequence without further act or formality:

(a) all issued and outstanding common shares of the Company, all of which shall then be held by AcquisitionCo, shall be and shall be deemed to be cancelled without any repayment of capital; and

(b) except as set forth in Section 3.4(a), the Articles of Amalgamation will be the same as the Articles of Incorporation of AcquisitionCo.

3.3 On the Effective Date, the Amalgamation of the Amalgamating Corporations and their continuance as one corporation shall become effective, the property of each Amalgamating Corporation shall continue to be the property of the Amalgamated Corporation; the Amalgamated Corporation shall continue to be liable for the obligations of each Amalgamating Corporation

including, without limitation, all those liabilities and obligations of AcquisitionCo including, without limitation, the liabilities and obligations of AcquisitionCo in respect of the Subordinated Notes, any existing cause of action, claim or liability to prosecution shall be unaffected; any civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against the Amalgamated Corporation; and any conviction against, or ruling, order or judgement in favour of or against, the Amalgamating Corporation may be enforced by or against the Amalgamated Corporation.

3.4 On the Amalgamation:

(a) the name of the Amalgamated Corporation shall be "Arctic Glacier Inc.";

(b) the Articles of Amalgamation of the Amalgamated Corporation (as set forth in Schedule B hereto) shall be the same as the Articles of Incorporation of AcquisitionCo.

(c) the first directors of the Amalgamated Corporation shall be the persons whose names and municipality of residence appear below:

Name and Municipality of Residence
Current Office

Principal Occupation for the Previous Five Years

Robert Nagy

St. Clements, Manitoba

Chairman, Chief Executive Officer and Director

Chief Executive Officer, Chairman of the Board and a director of Arctic Glacier since January, 2002. Chief Executive Officer, Chairman of the Board and a Director of Arctic since March 1, 1996. President of Arctic from March 1, 1996 until October 2, 2000. President and director of various subsidiaries of Arctic.

James E. Clark (1) (2)

Vancouver, BC

Vice-Chairman and Director

Vice Chair and a Director of Arctic Glacier since January, 2002. Director of Arctic since August 23, 1996.

Vice-Chairman of Arctic from June 22, 1998 to present.

Vice-President, Finance and Acquisitions and Chief Financial Officer of Arctic from August 23, 1996 to June 22, 1998. President and director of Jecco Properties Ltd. (a real estate development and investment company) from 1991 to present.

Peter Stewart Hyndman (1) (2)

Vancouver, BC

Director

Director of Arctic Glacier since January, 2002. Director of Arctic from August 23, 1996 to present. Associate Counsel at Fasken Martineau DuMoulin LLP, Barristers & Solicitors, Vancouver, British Columbia from October 1997 to present. Corporate Secretary of The Loewen Group Inc. from January 1990 to present. Director of the Loewen Group Inc. from June 1986 to March 1998.

Keith F. Burrows (1) (2)

Winnipeg, Manitoba

Director

Director of Arctic Glacier since January, 2002. Director of Arctic from August 23, 1996 to present. President and CEO of Actec Composites Inc. from November of 2001. Chairman of eZedia Inc. from November 2000. President

of Bristol Aerospace Limited from June of 1992 until July of 1997.

David R. Swaine (1)(2)
Toronto, Ontario
Director

Director of Arctic Glacier since January, 2002. Director of Arctic from December 29, 1999 to present. Executive Vice President and Chief Operating Officer of RoyNat Inc. since July, 1994. Vice-Chairman of Wellington West Capital Inc. from June 2001 to present.

Gary Filmon (1)(2)
Winnipeg, Manitoba
Director

Director of Arctic Glacier since January, 2002. Vice-Chairman of Wellington West Capital Inc. from June 2001 to present. Premier of Manitoba from 1988 to 1999. Effective May 25, 2000, corporate director and business consultant.

Such directors shall hold office until the first annual meeting of the Amalgamated Corporation or until their successors are duly elected or appointed;

(d) the by-laws of the Amalgamated Corporation until repealed, amended or altered shall be the by-laws of AcquisitionCo;

(e) the first auditors of the Amalgamated Corporation shall be KPMG LLP. The first auditors of the Amalgamated Corporation shall hold office until the first annual meeting of the Amalgamated Corporation following the Amalgamation or until their successors are elected or appointed.

ARTICLE 4

DISSENTING SECURITYHOLDERS

4.1 Dissenting Securityholders who:

(a) are ultimately entitled to be paid fair value for the Common Shares or Options in respect of which they dissent in accordance with the provisions of such Interim Order, whether by order of a Court (as defined in the ABCA) or by acceptance of an offer made pursuant to such Interim Order, shall be deemed to have transferred such Securities to Arctic for cancellation on the Effective Date and such Securities shall be deemed to have no longer been issued and outstanding as of the Effective Date; or

(b) are ultimately not so entitled to be paid fair value for the Common Shares or Options in respect of which they dissent, shall not be, or be reinstated as, Securityholders but for purposes of receipt of consideration shall be treated as if they had participated in this Arrangement on the same basis as a non-dissenting holder of Securities, and accordingly shall be entitled to receive such Units as non-dissenting holders of Securities are entitled to receive on the basis set forth in Article 3 of this Arrangement and shall be deemed to have transferred, indirectly, such Securities to the Fund in exchange for Units as of the Effective Date on the same basis and in the same manner as a non-dissenting holder of Securities;

but in no case shall Arctic, AcquisitionCo or the Fund be required to recognize such Dissenting Securityholders as securityholders of Arctic, AcquisitionCo or the

ARTICLE 5
OUTSTANDING CERTIFICATES

5.1 Subject to Section 4.1, after the Effective Time, certificates formerly representing Common Shares shall represent only the right to receive the certificates representing Units which the former holders of such Common Shares is, subject to Section 5.4, entitled to receive pursuant to Article 3 of this Arrangement, subject to compliance with the requirements set forth in this Article 5.

5.2 All distributions made with respect to any Units allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository in trust for the registered holder thereof. All monies received by the Depository shall be invested by it in interest-bearing trust accounts upon such terms as the Depository may reasonably deem appropriate. The Depository shall pay and deliver to any such registered holder such distributions and any interest thereon to which such holder is entitled, net of applicable withholding and other taxes, upon delivery of the certificate representing the Units issued to such holder in accordance with Section 5.3.

5.3 As soon as practicable after the Effective Date, the Fund shall forward to each holder of Securities referred to in Section 3.1 or to each Dissenting Securityholder deemed to have participated in the Arrangement pursuant to Section 4.1 at the address of such holder as it appears on the register of Securities immediately prior to the Effective Date, a letter of transmittal and instructions for obtaining delivery of the Units issued and payable to such holder pursuant to this Arrangement. A holder of Common Shares may take delivery of such Units by delivering the certificates representing such holder's Common Shares to the Depository at any of the offices indicated in the letter of transmittal, accompanied by a duly completed letter of transmittal and such other documents as the Depository may reasonably require. The certificates representing the Units issued to such holder shall be registered in such names and delivered to such addresses as such holder may direct in such letter of transmittal, or, if requested by the former holder of Common Shares in the letter of transmittal, made available at the Depository for pick-up by the former holder of Common Shares, as soon as practicable after receipt by the Depository of the required documents.

5.4 No fractional Units or Subordinated Notes shall be issued pursuant to the Arrangement. In the event that the exchange ratio referred to herein would in any case result in a holder of Common Shares being entitled to a fractional Unit or Subordinated Notes, such Unit or Subordinated Notes will be rounded up to the next highest whole number of Units or Subordinated Notes provided that each beneficial holder of Common Shares shall be entitled to the benefit of only one adjustment.

5.5 The holders of Common Shares shall not be entitled to any interest, dividend, premium or other payment on or with respect to the former Common Shares other than the certificates representing the Units which they are entitled to receive for the former Common Shares pursuant to this

Arrangement.

5.6 Any certificate formerly representing Common Shares that is not deposited with all other documents as provided in Section 5.3 on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and the right of the holder of such Common Shares to receive certificates representing Units shall be deemed to be surrendered to the fund together with all dividends or distributions thereon held for such holder.

ARTICLE 6 AMENDMENTS

6.1 Arctic reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is (a) agreed to by AcquisitionCo, (b) filed with the Court and, if made following the Meeting, approved by the Court and (c) communicated to Securityholders in the manner required by the Court (if so required).

6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Arctic at any time prior to or at the Meeting provided that AcquisitionCo shall have consented thereto with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification or supplement to this Plan of Arrangement which is approved by the Court following the Meeting shall be effective only (a) if it is consented to by Arctic, (b) if it is consented to by AcquisitionCo and (c) if required by the Court or applicable law, it is consented to by the Securityholders.

SCHEDULE A

Terms of Subordinated Notes

1. Issuance

The Subordinated Notes shall be issued to the holders of Common Shares in accordance with and pursuant to the Arrangement and will be issued in the Aggregate Note Amount.

2. Note Indenture

The Subordinated Notes shall be issued under the Note Indenture.

3. Single Note and Transfer to the Fund

Pursuant to the Arrangement, all of the Subordinated Notes outstanding are to be transferred by the former holders of Common Shares to the Fund in exchange for Units. Accordingly, the Note Indenture shall provide that initially only one Subordinated Note will be issued. It shall be issued to the Trustees (or any one of them) in trust for the former holders of Common Shares. The Trustees (or any

one (of them) shall then on behalf of the former holders of Common Shares transfer that Subordinated Note, without recourse, to the Fund pursuant to the Arrangement and receive Units for delivery to the former holders of Common Shares, all as contemplated by the Arrangement. Upon receipt of the Units, the Trustees (or any one of them) shall provide a receipt and deposit the Units with the Depository for the benefit of the former holders of Common Shares pursuant to the Arrangement. Upon a former holder of Common Shares returning the required letter of transmittal and certificate representing Common Shares, the Depository shall then forward to the former holder of Common Shares the Units allocated to such holder.

4. Maturity

10 years from the Effective Date, subject to extension in the limited circumstances provided in the Note Indenture.

5. Interest

The Subordinated Notes shall bear interest from the date of issue at 11% per annum, payable monthly on the last business day of the month for interest earned during the preceding month with the first monthly payment being due April 30, 2002, assuming the Effective Date occurs prior to March 31, 2002.

6. Subordination

The Subordinated Notes shall be subordinated as follows:

(a) no principal shall be repaid nor shall Subordinated Notes be purchased or redeemed until the prior repayment in full of all "senior indebtedness", nor at any time when there is a default under any senior indebtedness. If there is no senior indebtedness default, principal may be repaid at maturity and, in the limited circumstances prescribed by the Note Indenture, amounts may be paid on account of principal by way of prepayment or redemption where the board of directors of Amalco believe that indebtedness represented by the Subordinated Notes could not be refinanced at maturity on the same terms, or where Amalco is prevented by applicable law from paying dividends or making other distributions in respect of its common shares; and

(b) no interest shall be payable in respect of the Subordinated Notes other than regularly scheduled interest at any time nor shall regularly scheduled interest be paid when any of the "senior indebtedness" is in default.

For these purposes, "senior indebtedness" means (a) all indebtedness, obligations and liabilities of Amalco in respect of borrowed money (including the deferred purchase price of property), other than (i) indebtedness evidenced by the Note Indenture and (ii) indebtedness which, by the terms of the instrument creating or evidencing the same, is expressed to rank in right of payment equally with or subordinate to the indebtedness evidenced by the Note Indenture, and (b) from and after the commencement of, and during the continuance of, any creditor proceedings (including bankruptcy, liquidation, winding-up, dissolution, restructuring or arrangement proceedings), all indebtedness, obligations and liabilities of Amalco, other than indebtedness, obligations and liabilities represented by the Subordinated Notes and, for greater

"certainty," "senior indebtedness" shall include all indebtedness for borrowed money which is outstanding as at the Effective Date.

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