

09-12-2002

Form PTO-1594 (Adapted)
3-13-96



DEPARTMENT OF COMMERCE
Patent & Trademark Office

102219384

9/11/2002

To the Honorable Commissioner of Patents and Trademarks

Attached original documents or copy thereof.

<p>1. Name of conveying party(ies):</p> <p>Bioniche Inc. <i>8-26-02</i></p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State: Canada <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies):</p> <p>Name: Bioniche Life Sciences Inc.</p> <p>Address: 231 Dundas Street E.</p> <p>City Belleville State Ontario, Canada Zip Code: K8N 1E2</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State: Canada <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached <input type="checkbox"/> Yes <input type="checkbox"/> No (Designation must be a separate document from Assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input checked="" type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input checked="" type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: August 26, 1999</p>	
<p>4(a). Trademark Application No.(s):</p>	<p>4(b). Trademark Registration No.(s): 2,128,163</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name John K. McDonald, Ph.D., Esq.</p> <p>Address: KILPATRICK STOCKTON LLP 1100 Peachtree Street Suite 2800 Atlanta, Georgia 30309</p>	<p>6. Total number of applications and registrations involved: 01</p> <p>7. Total fee (37 CFR 3.41) enclosed: \$ 40.00</p>
DO NOT USE THIS SPACE	
<p>8. Statement and signature.</p> <p><i>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</i></p> <p><i>I certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner of Patents and Trademarks, Washington, DC 20231, on August 20, 2002</i></p> <p>John K. McDonald, Ph.D., Esq. Name of Person Signing</p> <p><i>John K McDonald</i> Signature</p> <p><i>August 20, 2002</i> Date</p> <p>Attorney Docket No: 02811-0001 (211689) Total number of pages including cover sheet: 16</p>	

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks
Box Assignments
Washington, DC 20231

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Industry Canada Industrie Canada

Canada Business Corporations Act Loi canadienne sur les sociétés par actions

I HEREBY CERTIFY THAT THE ATTACHED IS A TRUE COPY OF THE DOCUMENT MAINTAINED IN THE RECORDS OF THE DIRECTOR.

JE CERTIFIE, PAR LES PRÉSENTES, QUE LE DOCUMENT CI-JOINT EST UNE COPIE EXACTE D'UN DOCUMENT CONTENU DANS LES LIVRES TENUS PAR LE DIRECTEUR.

Deputy Director - Directeur adjoint

Date



Canada



CERTIFICATE OF ARRANGEMENT

Canada Business Corporation Act

CERTIFICAT D'ARRANGEMENT

Loi canadienne sur les sociétés par actions

BIDNICHE INC.

279267-2

Name of CBCA corporation(s) involved -
Dénomination(s) de la (des) société(s)
L.C.S.A. concernée(s)

Cooperation Number - Numéro de la
société

I hereby certify that the arrangement set out in
the attached articles of arrangement, involving
the above-referenced corporation(s), has been
effected under section 192 of the *Canada
Business Corporatives Act*.

Je certifie que l'arrangement mentionné dans
les clauses d'arrangement annexées, concernant
la (les) société(s) susmentionnée(s), a pris
effet en vertu de l'article 192 de la *Loi
canadienne sur les sociétés par actions*.

Director - Directeur

September 01, 1999 / le 01 septembre 1999

Date of Arrangment - Date de l'arrangement

Canada

Name of applicant corporation(s) — Dénomination de la(des) requérante(s) BIONICHE INC.	2 — Corporation No(s). — N°(s) de la(des) société(s) 279267-2
Name of the corporation(s) the articles of which are amended, if applicable Dénomination de la(des) société(s) dont les statuts sont modifiés, le cas échéant	4 — Corporation No(s). — N°(s) de la(des) société(s)
Name of the corporation(s) created by amalgamation, if applicable Dénomination de la(des) société(s) issue(s) de la(des) fusion(s), le cas échéant BIONICHE LIFE SCIENCES INC.	6 — Corporation No(s). — N°(s) de la(des) société(s) 365769-8
Name of the dissolved corporation(s), if applicable Dénomination de la(des) société(s) dissoute(s), le cas échéant N/A	8 — Corporation No(s). — N°(s) de la(des) société(s)
Name of other bodies corporate involved, if applicable Dénomination des autres personnes morales en cause, le cas échéant RENAISSANCE LIFE SCIENCES INC. VETREPHARM ANIMAL HEALTH INC.	10 — Corporation No(s), or jurisdiction of incorporation — N°(s) de la(des) société(s)/ ou loi sous le régime de laquelle elle est constituée ONTARIO

- In accordance with the order approving the arrangement,
- (a) the articles of the above-named corporation(s) are amended in accordance with the attached plan of arrangement
- (b) the following bodies corporate are amalgamated in accordance with the attached plan of arrangement


Conformément aux termes de l'ordonnance approuvant l'arrangement,

- les statuts de la(des) société(s) susmentionnée(s) sont modifiés en conformité avec le plan d'arrangement ci-joint :
- les personnes morales suivantes sont fusionnées conformément au plan d'arrangement ci-joint :

BIONICHE INC.
RENAISSANCE LIFE SCIENCES INC.
VETREPHARM ANIMAL HEALTH INC.

- (c) the above-named corporation(s) is(are) liquidated and dissolved in accordance with the attached plan of arrangement
- (d) the plan of arrangement attached hereto, involving the above-named body(ies), corporate is hereby effected

- la(les) société(s) susmentionnée(s) est(sont) liquidée(s) et dissoute(s) conformément au plan d'arrangement ci-joint
- le plan d'arrangement ci-joint portant sur la(les) personne(s) morale(s) susmentionnée(s) prend effet

Date August 26, 1999	Signature 	Title — Titre Secretary BIONICHE INC.
3189 (3/95) (CCA 1780)		FOR DEPARTMENTAL USE ONLY — À L'USAGE DU MINISTÈRE SEULEMENT Filed — Déposée August 31, 1999

**PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE CANADA BUSINESS CORPORATIONS ACT**

ARTICLE 1.

INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context is inconsistent therewith, the following terms will have the respective meanings set out below and grammatical variations of those terms will have corresponding meanings:

"Amalco" means the amalgamated corporation resulting from the amalgamation of Bioniche, Renaissance and Vetrepharm pursuant to Section 3.1 hereof;

"Amalco Common Shares" means the common shares in the capital of Amalco which will be issuable under the Arrangement;

"Amalco Preferred Shares" means the preferred shares issuable in series in the capital of Amalco which will be issuable under the Arrangement;

"Amalco Preferred Shares, Series 1" means the first series of Amalco Preferred Shares which will be issuable under the Arrangement;

"Amalco Shares" means Amalco Common Shares and Amalco Preferred Shares, Series 1;

"Arrangement" means the arrangement proposed under the provisions of Sections 192 of the CBCA on the terms and conditions set forth in this Plan of Arrangement and any amendment or variation thereto made in accordance with this Plan of Arrangement;

"Arrangement Agreement" means the Arrangement Agreement dated as of June 22, 1999 including the schedules thereto, to which this Plan of Arrangement is attached as Schedule "A", as the same may be supplemented or amended from time to time;

"Arrangement Resolutions" means the Bioniche Arrangement Resolution, the Renaissance Arrangement Resolution and the Vetrepharm Arrangement Resolution;

"Bioniche" means Bioniche Inc., a corporation amalgamated under the laws of Canada;

"Bioniche Arrangement Resolution" means the special resolution of the holders of the Bioniche Shares approving this Plan of Arrangement;

"Bioniche Common Shares" means common shares in the capital of Bioniche;

"Bioniche Meeting" means the special meeting of holders of Bioniche Common Shares and Bioniche Preferred Shares, to be held pursuant to the Interim Order to consider and, if thought advisable, to approve the Bioniche Arrangement Resolution, and any adjournment or postponement thereof;

"Bioniche Preferred Shares" means second preferred shares, series C in the capital of Bioniche;

"Bioniche Shares" means Bioniche Common Shares and Bioniche Preferred Shares;

"Business Day" means a day which is not a Saturday, Sunday or civic or a statutory holiday in London, Ontario, Canada;

"CBCA" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C. 44, as amended;

"Court" means the Ontario Superior Court of Justice;

"Director" means the Director appointed under Section 260 of the CBCA;

"Effective Date" means the date upon which the Plan of Arrangement becomes effective, as established on the date of issue shown in the certificate of arrangement to be issued under the CBCA in respect of the Arrangement;

"Escrow Agent" means CIBC Mellon Trust Company at its principal office at 320 Bay Street, Toronto, Ontario, MJ5 4A6, in its capacity as escrow agent under the Pooling and Escrow Agreement;

"Final Order" means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date, or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

"Information Circular" means the joint information circular to be sent to Shareholders of Bioniche in connection with the Bioniche Meeting, to Shareholders of Renaissance in connection with the Renaissance Meeting and to Shareholders of Vetrepharm in connection with the Vetrepharm Meeting;

"Interim Order" means the interim order of the Court dated June 18, 1999 providing for, among other things, the calling and holding of the Meetings for the purpose of considering and, if deemed advisable, approving the Arrangement Resolutions, as such order may be amended, supplemented or varied by the Court;

"Letters of Transmittal" means the letters of acceptance and transmittal to be forwarded to holders of Bioniche Common Shares, Renaissance Shares and Vetrepharm Common Shares, or such other equivalent forms of letter of acceptance and transmittal acceptable to Bioniche, Renaissance and Vetrepharm each acting reasonably;

"Meetings" mean, collectively, the Bioniche Meeting, the Renaissance Meeting and the Vetrepharm Meeting;

"Plan of Arrangement" means this Plan of Arrangement and any amendment or variation thereto made in accordance with this Plan of Arrangement;

"Pooling and Escrow Agreement" means the agreement to be entered into by Amalco and the Transfer Agent setting out the terms of escrow that will govern the Amalco Common Shares issuable under the Arrangement to holders of Renaissance Common Shares;

"Renaissance" means Renaissance Life Sciences Inc., a corporation amalgamated under the laws of Ontario;

"Renaissance Arrangement Resolution" means the special resolution of the holders of the Renaissance Shares approving this Plan of Arrangement;

"Renaissance Common Shares" means common shares in the capital of Renaissance;

"Renaissance Meeting" means the special meetings of holders of Renaissance Common Shares and Renaissance Special Shares, to be held pursuant to the Interim Order to consider and, if thought advisable, to approve the Renaissance Arrangement Resolution, and any adjournment or postponement thereof;

"Renaissance Shares" means Renaissance Common Shares and Renaissance Special Shares;

"Renaissance Special Shares" means class A special shares in the capital of Renaissance;

Arrangement Agreement and the issuance of a certificate of arrangement by the Director in respect thereof, this Plan of Arrangement shall be binding upon each of the Shareholders, Bioniche, Renaissance, Vetrepharm, the Transfer Agent and the Escrow Agent.

ARTICLE III

THE ARRANGEMENT

3.1 Amalgamation

On the Effective Date, Bioniche, Renaissance and Vetrepharm shall amalgamate to form Amalco and continue as one corporation with the effect described below and the following provisions will apply, unless and until determined in the manner required by law or by Amalco, its directors or shareholders:

- (a) the effect of the Arrangement shall be as if Bioniche, Renaissance and Vetrepharm were corporations amalgamating in accordance with Section 186 of the CBCA, pursuant to Section 192 of the CBCA;
- (b) the property of each Bioniche, Renaissance and Vetrepharm (including any rights that may arise under any permit or agreement) immediately before the Arrangement becomes effective will continue to be the property of Amalco;
- (c) Amalco will continue to be liable for the obligations of Bioniche, Renaissance and Vetrepharm (including any obligations that may arise under any permit or agreement) immediately before the Arrangement becomes effective;
- (d) any existing cause of action, claim or liability to prosecution of or affecting Bioniche, Renaissance and Vetrepharm will be unaffected by the Arrangement becoming effective;
- (e) a civil, criminal or administrative action or proceeding pending by or against Bioniche, Renaissance and Vetrepharm immediately before the Arrangement becomes effective may continue to be prosecuted by or against Amalco;
- (f) a conviction against, or a ruling, order or judgment in favour of or against, Bioniche, Renaissance and Vetrepharm immediately before the Arrangement becomes effective may after the Effective Date be enforced by or against Amalco;
- (g) *Name.* The name of Amalco shall be Bioniche Life Sciences Inc., or any other name as may be approved by the directors of Bioniche, Renaissance and Vetrepharm at any time prior to the Meetings;
- (h) *Registered Office.* The registered office of Amalco shall be located in the City of London in the Province of Ontario. The address of the registered office of Amalco will be 383 Sovereign Road, London, Ontario L6N 1A3;
- (i) *Business and Powers.* There shall be no restrictions on the business Amalco may carry on or the powers it may exercise;
- (j) *Authorized Share Capital.* Amalco shall be authorized to issue an unlimited number of Amalco Common Shares and an unlimited number of Amalco Preferred Shares issuable in series. The rights, privileges, restrictions and conditions attaching to each such class are set forth in Schedule "A" to this Plan of Arrangement;

- (k) *Number of Directors.* The number of directors of Amalco shall, unless otherwise changed in accordance with the CBCA, consist of not less than 3 and not more than 12, the number of directors within the minimum and maximum number set out herein to be determined from time to time by the directors;
- (l) *Auditors.* The auditors of Amalco will be Ernst & Young, Chartered Accountants, LLP;
- (m) *Initial Directors.* The initial directors shall consist of the individuals referred to below, who shall hold such office until the first annual meeting of shareholders or until their respective successors have been duly elected or appointed:
- Stanley Alkemade
James Atchison
Albert G. Beraldo
David Butts
Alain Cousineau
James Johnson
Hy Isenbaum
Graeme McRae
- (n) *By-laws.* The by-laws of Amalco shall be the by-laws of Bioniche immediately before the Effective Date;
- (o) *Financial Year.* The financial year of Amalco shall end on June 30 of each year;
- (p) The following share exchanges, issuances and cancellations, as the case may be, shall take place on the Effective Date:
- (i) holders of Bioniche Common Shares (other than holders exercising dissent rights) will receive 0.20 Amalco Common Share(s) for each Bioniche Common Share held by them;
 - (ii) subject to Section 3.1(q), holders of Renaissance Common Shares (other than holders exercising dissent rights) will receive 1,124.6 Amalco Common Share(s) for each Renaissance Common Share held by them;
 - (iii) holders of Vetrepharm Common Shares (other than holders exercising dissent rights) will receive 0.726 Amalco Common Share(s) for each Vetrepharm Common Share held by them;
 - (iv) holders of Renaissance Special Shares (other than holders exercising dissent rights) will receive one Amalco Preferred Share, Series 1 for each Renaissance Special Share held by them;
 - (v) any shares in the capital of Bioniche, Renaissance and Vetrepharm held by or on behalf of any of Bioniche, Renaissance and Vetrepharm immediately prior to the Effective Date will be cancelled without any repayment of the capital in respect thereof;
- (q) the holders of the Renaissance Common Shares shall on the Effective Date be subject to the Pooling and Escrow Agreement and, subject to release from escrow of such Amalco Shares by the Escrow Agent in accordance with the said Pooling and Escrow Agreement, shall be entitled to receive Amalco Common Shares in accordance with Section 3.1(p)(ii); and

- (r) all options, warrants and other convertible securities of each of Bioniche, Renaissance and Vetrepharm that have not been exercised or cancelled prior to the Effective Date will be exchanged for options, warrants and other convertible securities of Amalco based on the exchange ratios, and with corresponding changes to the exercise prices, as the exchange ratios set out in Section 3.1 (p) (i), (ii) and (iii).

ARTICLE IV
SPECIAL PROVISIONS

4.1 Without limiting the powers of the board of directors as provided in the CBCA, the board of directors of Amalco may from time to time on behalf of Amalco:

- (a) borrow money upon the credit of Amalco;
- (b) issue, reissue, sell or pledge debt obligations of Amalco;
- (c) to the extent permitted by the CBCA, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise;
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco, owned or subsequently acquired, to secure any obligation of Amalco; and
- (e) the board of directors of Amalco may from time to time delegate to such one or more of the directors and officers of Amalco as may be designated by the board all or any of the powers conferred on the board by clause (d) above to such extent and in such manner as the board shall determine at the time of each such delegation.

4.2 Amalco shall have a lien on any share registered in the name of a shareholder or his legal representative for a debt of that shareholder to Amalco.

ARTICLE V
CERTIFICATES AND DOCUMENTATION

5.1 Entitlement to Amalco Share Certificates

After the Effective Date, the former shareholders of Bioniche, Renaissance and Vetrepharm shall in accordance with this Article V be entitled on the basis set forth in Article III to receive certificates representing Amalco Shares.

5.2 Fractional Shares

No fractional shares will be issued by Amalco, and no cash will be paid in lieu thereof. Any fractions resulting will be rounded to the nearest whole number, with fractions of one-half or more being rounded to the next whole number.

5.3 Entitlement to Options, Warrants and Other Convertible Securities of Amalco

After the Effective Date, the holders of outstanding options, warrants and other convertible securities of Bioniche, Renaissance and Vetrepharm shall be entitled to receive documentation evidencing options, warrants and other convertible securities of Amalco on the same exchange ratios, and with corresponding changes to the exercise prices, set out in Article III.

5.4 Share Certificates

- (a) in addition to the requirements of this Section, the holders of Renaissance Common Shares must surrender certificates representing their Renaissance Common Shares to the Transfer Agent to obtain a written acknowledgment from the Transfer Agent of such shareholder's entitlement, upon their release from escrow in accordance with the Pooling and Escrow Agreement, of the Amalco Common Shares to which such holder is entitled hereunder, as more particularly described in the Information Circular.
- (b) subject to Section 5.5, where a holder of Bioniche Shares, Renaissance Shares or Vetrepharm Shares, as the case may be, has delivered to the Transfer Agent a duly completed Letter of Transmittal and the certificates representing such holder's securities, Amalco will as soon as practicable following the Effective Date cause the Transfer Agent either:
 - (i) to forward or cause to be forwarded by first class insured mail to the holder at the address specified in the Letter of Transmittal; or
 - (ii) if requested by the holder in the Letter of Transmittal, to make available at the Transfer Agent for pick-up by such holder; or
 - (iii) if the Letter of Transmittal neither specifies an address nor contains a request as described in (ii), to forward or cause to be forwarded to the holder at the address of the holder as shown on the share register maintained by Bioniche, Renaissance and Vetrepharm, as applicable;

certificates representing the Amalco Shares or the written acknowledgment referred to in Section 5.4(a) required to be delivered to such holder pursuant to the provisions hereof.

- (c) as soon as practicable following the Effective Date, where a holder of Bioniche Shares, Renaissance Shares or Vetrepharm Shares, as the case may be, has not delivered a Letter of Transmittal and certificates contemplated by Subsection (b) Amalco will cause the Transfer Agent to make available at the principal office of the Transfer Agent in Toronto certificates representing the Amalco Shares required to be delivered to such holder pursuant to the provisions hereof upon presentation of the certificates evidencing such holder's Bioniche Shares, Renaissance Shares or Vetrepharm Shares, as the case may be.
- (d) any certificates formerly representing Bioniche Shares, Renaissance Shares or Vetrepharm Shares that, following the Effective Date, are not deposited with Transfer Agent, together with a duly executed Letter of Transmittal, 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 securities to receive Amalco Shares as provided for herein shall be deemed to be surrendered to Amalco together with all dividends or distributions thereon held for such holder.

5.5 Registration

Unless otherwise directed by the Letter of Transmittal, the certificates representing the Amalco Shares referred to in Section 5.1 will be issued in the name of the holder of the Bioniche Shares, Renaissance Shares or Vetrepharm Shares, as the case may be, to which the Letter of Transmittal applies.

5.6 Illegality of Delivery of Shares

Notwithstanding the foregoing, if it appears to Amalco that it would be contrary to applicable law to issue Amalco Shares pursuant to the Arrangement to a person that is not a resident of Canada or the United States of America, the Amalco Shares that otherwise would be issued to that person will be issued and delivered to the Transfer Agent for

sale by the Transfer Agent on behalf of that person. The Amalco Shares delivered to the Transfer Agent will be sold as soon as practicable after the Effective Date, on such dates and at such prices as the Transfer Agent determines in its sole discretion. The Transfer Agent shall not be obligated to seek or obtain a minimum price for any of the Amalco Shares sold by it. The Transfer Agent's ability to sell such Amalco Shares and the price obtained therefor are dependent on the market conditions. The Transfer Agent shall not be subject to any liability for failure to sell such Amalco Shares at a particular price or on a particular day or at all. Each such person will receive a pro rata share of the cash proceeds from the sale of the Amalco Shares sold by the Transfer Agent (less commissions, other reasonable expenses incurred in connection with the sale of the Amalco Shares and any amount withheld in respect of Canadian taxes) in lieu of the Amalco Shares themselves. The net proceeds, without interest, will be remitted to such persons in the same manner as set forth in this Article V. Neither Amalco nor the Transfer Agent will be liable for any loss arising out of any such sales.

5.7 Idem.

Subject to Section 5.4 and Section 3.1 (p) (v), at and after the Effective Date, any certificate formerly representing Bioniche Shares or other Bioniche securities, Renaissance Shares or other Renaissance securities or Vetrepharm Shares or other Vetrepharm securities, as the case may be, will represent only the right to receive Amalco Shares or, in the case of securities to which Section 5.3 is applicable, other Amalco securities, in accordance with this Plan of Arrangement.

ARTICLE VI

AMENDMENT

6.1 Plan of Arrangement Amendment

- (a) Bioniche, Renaissance and Vetrepharm reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time from time to time provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Meetings, approved by the Court and communicated to Bioniche, Renaissance and Vetrepharm Shareholders in the manner required by the Court (if so required);
- (b) any amendment, modification or supplement to this Plan of Arrangement may be proposed by Bioniche, Renaissance and Vetrepharm at any time prior to or at the Meetings with or without any other prior notice of communication and, if so proposed and accepted by the persons voting at each of the Meetings, will become part of this Plan of Arrangement for all purposes;
- (c) any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meetings will be effective only if it is consented to by Bioniche, Renaissance and Vetrepharm;
- (d) any amendment, modification or supplement to the Plan of Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial economic interests of any holder of securities of Amalco.

ARTICLE VII

RIGHTS OF DISSENT

7.1 Rights of Dissent

Holders of Bioniche Shares, Renaissance Shares and Vetrepharm Shares may exercise rights of dissent in connection with the Arrangement Resolutions with respect to those shares pursuant to and in the manner set forth in Section 190 of the CBCA and this Section 7.1, as the same may be modified by the Interim Order or the Final Order, and holders who duly exercise those rights of dissent and who are ultimately not entitled, for any reason, to be paid fair value for their Bioniche Shares, Renaissance Shares and Vetrepharm Shares, as the case may be, will be deemed to have participated in the Arrangement on the same basis as any non-dissenting holder of Bioniche Shares, Renaissance Shares and Vetrepharm Shares, as the case may be, and will receive Amalco Shares on the basis determined in accordance with Section 3.1(p) above.

SCHEDULE "A"

TO THE PLAN OF ARRANGEMENT

COMMON SHARES

1. Voting Rights

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than Common Shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of the Common Shares, each holder of Common Shares shall be entitled to one vote in respect of each Common Share held by him or her.

2. Dividends

The holders of the Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive any dividend declared by the Corporation.

3. Rights on Dissolution

The holders of the Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

PREFERRED SHARES

The Preferred Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) the Preferred Shares may from time to time be issued in one or more series and subject to the following provisions, and subject to the sending of articles of amendment in prescribed form, and the endorsement thereon of a certificate of amendment in respect thereof, the directors may fix from time to time before such issue the number of shares that is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the issue price per share of the shares of such series, the rate or amount of any dividends or the method of calculating any dividends, the dates of payment thereof, any redemption, purchase and/or conversion prices and terms and conditions of any redemption, purchase and/or conversion, and any sinking fund or other provisions;
- (b) the Preferred Shares of each series shall, with respect to the payment of any dividends and any distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares and over any other shares of the Corporation ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given such other preferences, not inconsistent with these articles, over the Common Shares and any other shares of the Corporation ranking junior to such Preferred Shares as may be fixed in accordance with clause (a) above;
- (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of such dividends and return of capital;

- (d) the Preferred Shares of any series may be made convertible into Common Shares;
- (e) unless the directors otherwise determine in the articles of amendment designating a series, and subject to the provisions of the Canada Business Corporations Act (the "Act") and clause (f) the Preferred Shares shall have no voting rights as a class;
- (f) any amendment to the articles of the Corporation to delete or vary any right, privilege, restriction or condition attaching to the Preferred Shares or to create preferred shares ranking in priority to or on a parity with the Preferred Shares, in addition to the authorization by a special resolution, may be authorized by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Preferred Shares, voting as a class, duly called for that purpose, and by at least four-fifths (4/5) of the votes cast at the meeting of the holders of the common shares, duly called for that purpose.

SERIES 1 PREFERRED SHARES

The first series of Preferred Shares shall consist of an unlimited number of Preferred Shares and shall be designated as Series 1 Preferred Shares and in addition to the rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Ranking

The Series 1 Preferred Shares shall rank senior to any other shares of the Corporation with respect to the payment of dividends and repayment of capital.

2. Dividends

- (a) the holders of Series 1 Preferred Shares shall be entitled to receive, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, non-cumulative, cash dividends at a rate of one per cent per month of the redemption amount of One Thousand Dollars (\$1,000), as described in paragraph 5 herein (hereinafter referred to as the "Redemption Amount") per share per annum and no more; such dividends shall be payable annually in the discretion of the board of directors; and in any fiscal year of the Corporation such dividends as the board of directors may determine as aforesaid shall be paid in priority to any dividends on any Common Shares of the Corporation;
- (b) the holders of Series 1 Preferred Shares shall be entitled to receive, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, non-cumulative, cash dividends at a rate of one per cent per month on the said Series 1 Preferred Shares, such dividends to be payable annually in the discretion of the board of directors; and in any fiscal year of the Corporation such dividends as the board of directors may determine as aforesaid shall be paid in priority to any dividends on any Common Shares of the Corporation;
- (c) the holders of Series 1 Preferred Shares shall have the right to waive, by instrument in writing, the right to dividends upon the said Series 1 Preferred Shares held by them and any such waiver may be given before, during or after the time when the right to such dividends accrued;

3. Non-Voting

Except as otherwise provided in the Act, the holders of the Series 1 Preferred Shares shall not be entitled to receive notice of, or to attend or vote at any meeting of the shareholders of the Corporation.

4. **Rights on Dissolution**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of its assets among the shareholders for the purpose of winding up its affairs, the holders of Series 1 Preferred Shares shall be entitled to receive the Redemption Amount per share specified herein together with the dividends declared thereon and unpaid, in priority to any distribution to the holders of other classes of shares in the capital stock of the Corporation, but the holders of Series 1 Preferred Shares shall not, as such, be entitled to share in any further distribution of the assets or property of the Corporation.

5. **Redemption of Series 1 Preferred Shares**

The Corporation may, in the manner hereinafter provided, redeem all, or from time to time, any part of the outstanding Series 1 Preferred Shares, without the consent of the holder thereof on payment to the holder thereof for each share to be redeemed, of the amount of One Thousand Dollars (\$1,000) with respect to the Series 1 Preferred Shares together with any dividends declared thereon and unpaid (the "Redemption Price"); and before redeeming any Series 1 Preferred Shares, the Corporation shall mail, to each person who, at the date of such mailing, is a registered holder of shares to be redeemed, notice of the intention of the Corporation to redeem such shares held by such registered holder; and such notice shall be mailed by ordinary prepaid post addressed to the last address of such holder as it appears on the records of the Corporation or, in the event of the address of any such holder not appearing on the records of the Corporation, then to the last known address of the holder, at least thirty (30) days before the date specified for redemption; and such notice shall set out the Redemption Price, the date and place or places of redemption and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed; and on or after the date so specified for redemption the Corporation shall pay or cause to be paid the Redemption Price to the registered holders of the share to be redeemed, on presentation and surrender of the certificates for the shares so called for redemption at such place or places as may be specified in such notice, and the certificates for such shares shall thereupon be cancelled, and the shares represented thereby shall thereupon be redeemed; and from and after the date specified for redemption in such notice, the holders of such shares called for redemption shall cease to be entitled to dividends and shall not be entitled to any rights in respect thereof, except to receive the Redemption Price, unless payment of the Redemption Price shall not be made by the Corporation in accordance with the foregoing provisions, in which case, the rights of the holders of such shares shall remain unimpaired.