

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Reorganization by Articles of Arrangement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Prime Restaurants of Canada Inc.		04/05/2010	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	Prime Restaurants Inc.
Street Address:	Emerald Business Centre 10 Kingsbridge Garden Circle, Suite 600
City:	Mississauga, Ontario L5R 3K6
State/Country:	CANADA
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	1802958	EAST SIDE MARIO'S
Registration Number:	1534777	EAST SIDE MARIO'S

CORRESPONDENCE DATA

Fax Number: 3125548015
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 312 554-8000
 Email: rsacoff@pattishall.com
 Correspondent Name: Robert W. Sacoff
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 Address Line 4: Chicago, ILLINOIS 60606

ATTORNEY DOCKET NUMBER:	00175-15
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DOMESTIC REPRESENTATIVE

Name:
 Address Line 1:
 Address Line 2:

CH \$65.00 1802958

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:	Robert W. Sacoff
Signature:	/RWS/
Date:	05/31/2012

Total Attachments: 64

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Exhibit "A" to Articles of Arrangement of Prime Restaurants Inc.

Plan of Arrangement

UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

- (a) "Amalco" means Prime Restaurants Inc., the corporation that will result from the amalgamation of PRC, Newco and TradeMarkCo pursuant to the Arrangement as contemplated by Article 4;
- (b) "Amalco Shares" means, collectively the Class A Limited Voting Shares, Class B Shares and Class C Shares in the capital of Amalco, which shares will be issued to shareholders of TradeMarkCo and PRC pursuant to this Plan of Arrangement;
- (c) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (d) "Articles of Arrangement" means the articles in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted;
- (e) "Business Day" means any day, other than Saturday, Sunday or any statutory holiday, where banks are generally open in Toronto, Ontario, for the transaction of banking business;
- (f) "Book Entry System" has the meaning ascribed to it in Section 5.1;
- (g) "Class A Limited Voting Shares" means the class A limited voting shares in the share capital of Amalco;
- (h) "Class B Shares" means the class B shares in the share capital of Amalco;
- (i) "Class C Shares" means the class C shares in the share capital of Amalco;
- (j) "CDS Participant" has the meaning ascribed to it in Section 5.1;
- (k) "CDS" means CDS Clearing and Depository Services Inc.;
- (l) "Certificate" means the certificate to be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;
- (m) "Combination Agreement" means the combination agreement dated as of February 25, 2010, among the Fund, PRH, PRC, TradeMarkCo and Newco with respect to the Arrangement and all amendments thereto;
- (n) "Court" means the Ontario Superior Court of Justice;

- (o) “**Declaration of Trust**” means the declaration of trust dated May 28, 2002, pursuant to which the Fund was created, as further amended, supplemented or restated from time to time;
- (p) “**Director**” means the director appointed under Section 278 of the OBCA;
- (q) “**Effective Date**” means the date the Arrangement is effective under the OBCA;
- (r) “**Effective Time**” means 12:01 a.m. (EST) (Toronto time) on the Effective Date;
- (s) “**Final Order**” means the final order of the Court approving this Arrangement as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (t) “**Fund**” means Prime Restaurants Royalties Income Fund, a limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust;
- (u) “**Information Circular**” means the information circular of the Fund to be dated on or about March 4, 2010, together with all appendices thereto, forwarded as part of the proxy solicitation materials to Unitholders in respect of the Meeting;
- (v) “**Interim Order**” means the interim order of the Court concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court with the consent of the parties to the Combination Agreement, acting reasonably;
- (w) “**Limited Voting Units**” means the limited voting units of the Fund;
- (x) “**Meeting**” means the annual and special meeting of Unitholders to be held to consider, among other things, the Arrangement and related matters, and any adjournment or postponement thereof;
- (y) “**Newco**” means 2234567 Ontario Limited, a wholly-owned subsidiary of the Fund incorporated under the laws of the Province of Ontario;
- (z) “**OBCA**” means the *Business Corporations Act*, R.S.O. 1990, c. B-16, and the regulations thereto, as now in effect and as it may be amended from time to time prior to the Effective Date;
- (aa) “**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (bb) “**Plan of Arrangement**” means this plan of arrangement and any amendment or variation made in accordance with Section 6.1 or made at the direction of the Court in the Final Order;
- (cc) “**Plan of Arrangement Notice**” means a joint notice provided by PRH, PRC and the Fund to TradeMarkCo at least three (3) Business Days prior to the Effective Date specifying (i) the principal amount outstanding pursuant to the Shareholder Loan and the number of common shares of PRC to be issued to PRH in consideration for the cancellation of the Shareholder Loan as contemplated by section 3.1(a); (ii) the number of common shares of PRC to be issued to PRH in consideration for the transfer of PRA as contemplated by section 3.1(b); (iii) the consolidation ratio for the outstanding common shares of TradeMarkCo pursuant to section 4.1(d); (iv) the number of common shares of Newco to be issued to the Fund in consideration for the transfer of the TradeMarkCo Loan pursuant to section 4.1(e); (v) the number of common shares of TradeMarkCo to be issued to the Fund in consideration for the transfer of Newco pursuant to section 4.1(f); (vii) the amount of the reduction of the stated capital of the outstanding shares of

Amalco pursuant to section 4.1(i); and (viii) any other information or directives which may be useful for the completion of this Plan of Arrangement;

- (dd) “**PRA**” means Prime Restaurants of America Inc., a wholly-owned subsidiary of PRH incorporated under the laws of the State of Delaware;
- (ee) “**PRC**” means Prime Restaurants of Canada Inc., a wholly-owned subsidiary of PRH incorporated under the laws of the Province of Ontario;
- (ff) “**PRH**” means Prime Restaurant Holdings Inc., a corporation incorporated under the laws of the Province of Ontario;
- (gg) “**Shareholder Loan**” means the outstanding loan from PRH to PRC in the principal amount of \$577,500;
- (hh) “**TradeMarkCo Loan**” means outstanding loans from TradeMarkCo to the Fund represented by notes issued pursuant to the note indenture dated as of July 22, 2002 between TradeMarkCo and Computershare Trust Company of Canada;
- (ii) “**TradeMarkCo**” means PRC Trademarks Inc., a corporation continued under the laws of the Province of Ontario;
- (jj) “**Transfer Agent**” means Computershare Investor Services Inc.;
- (kk) “**Unitholders**” means holders from time to time of Units and Limited Voting Units; and
- (ll) “**Units**” means the trust units of the Fund.

1.2 Headings

The division of this Plan of 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 Plan of Arrangement.

1.3 Interpretation

- (a) 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 Plan of Arrangement.
- (b) 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, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.4 Calculation of Days

- (a) Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following, if the last day of the period is not a Business Day.
- (b) In the event that the date on which any action is required to be taken hereunder by any of the parties to the Combination Agreement 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, except that the Effective Date can fall on a date that is not a Business Day.

1.5 Statutory References

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

ARTICLE 2 COMBINATION AGREEMENT

2.1 Arrangement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of, the Combination Agreement.

2.2 Binding Effect

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, shall become effective on, and be binding on and after, the Effective Time on: (i) the Unitholders; (ii) the Fund; (iii) TradeMarkCo; (iv) PRH; (v) PRC and (vi) Newco.

2.3 Certificate

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 4 has become effective in the sequence and at the times set out therein.

2.4 Order of Completion of Steps

All of the steps and events listed in Article 4 shall be completed in accordance with the following:

- (a) the steps and events listed shall be completed in numerical order and sequence provided in Article 4, without further act or formality;
- (b) each of such steps and events shall be mutually conditional, such that no single event may occur without all events occurring in sequence, thereby effecting the integrated transaction which constitutes the Arrangement; and
- (c) upon implementation of the first step of the Arrangement, each of the other steps will occur automatically and in sequence until each of the steps is completed and the Arrangement is effective, provided that if any of the steps in Article 4 fails to occur or be completed then all of the steps will be deemed not to have occurred.

ARTICLE 3 PRE-ARRANGEMENT TRANSACTIONS

3.1 Pre-Arrangement Steps

Unless otherwise consented to by the Fund in writing, each of the events set out below shall be completed on or prior to the date immediately before the Effective Date:

Exchange and Cancellation of the Shareholder Loans

- (a) the Shareholder Loan shall be exchanged and cancelled in consideration for such number of shares of PRC to be set out in the Plan of Arrangement Notice;

Transfer of PRA

- (b) PRH shall transfer all its shares of PRA to PRC in consideration for such number of shares of PRC to be set out in the Plan of Arrangement Notice; and

PRC Declares a Dividend

- (c) PRC shall declare a dividend on its common shares, which dividend shall be payable by transferring its 333,436 Limited Voting Units of the Fund to its sole shareholder, PRH.

**ARTICLE 4
ARRANGEMENT**

4.1 Arrangement Steps

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring one minute apart, without any further act or formality except as otherwise provided herein:

Amendment of the Declaration of Trust

- (a) the Declaration of Trust shall be amended, to the extent necessary, to facilitate the Arrangement as provided herein and to permit the distribution that would typically be paid in April to Voting Unitholders of record on March 31, 2010 to instead be paid as a dividend of Amalco on or about April 15, 2010 to holders of Class A Limited Voting Shares of Amalco of record on April 8, 2010;

Cancellation of Interest Accrued on the TradeMarkCo Loan

- (b) all of the interest accrued and unpaid on the TradeMarkCo Loan shall be cancelled without further consideration;

Cancellation of Class A Common Shares and Class B Common Shares of TradeMarkCo

- (c) the class A common shares and class B common shares of TradeMarkCo shall be cancelled without further consideration;

Consolidation of Common Shares of TradeMarkCo

- (d) (i) the Common Shares of TradeMarkCo shall be consolidated based on a ratio to be set out in the Plan of Arrangement Notice and (ii) no fractional shares shall be issued on such consolidation and as a result of this consolidation, only one common share of TradeMarkCo will remain outstanding and will be held by the Fund;

Transfer of TradeMarkCo Loan

- (e) the Fund shall transfer the TradeMarkCo Loan to Newco in consideration for such number of shares of Newco to be set out in the Plan of Arrangement Notice;

Transfer of Newco

- (f) the Fund shall transfer all of the shares of Newco held by the Fund to TradeMarkCo in consideration for such number of common shares of TradeMarkCo to be set out in the Plan of Arrangement Notice and the assumption by TradeMarkCo of all of the liabilities of the Fund pursuant to an assignment agreement;

Amalgamation of TradeMarkCo, PRC and Newco to continue as Amalco

- (g) TradeMarkCo, PRC and Newco shall amalgamate to continue as Amalco:
- (i) the name of Amalco shall be Prime Restaurants Inc.;
 - (ii) the head office of Amalco shall be situated in the province of Ontario and the address of its head office shall be 10 Kingsbridge Garden Circle, Suite 600, Mississauga, Ontario, L5R 3K6;
 - (iii) the auditors of Amalco shall be PricewaterhouseCoopers LLP;
 - (iv) Amalco shall be authorized to issue an unlimited number of Class A Limited Voting Shares, Class B Shares and Class C Shares, having the rights, privileges, conditions and restrictions set out in Schedule A;
 - (v) there shall be no restrictions on the activities that Amalco is authorized to carry on, nor any restrictions on the transfer of Amalco's Class A Limited Voting Shares;
 - (vi) the board of directors of Amalco will consist of not less than three and not more than ten directors, the exact number of which shall be determined by the directors from time to time;
 - (vii) the first directors of Amalco who shall hold office until the next annual meeting of shareholders of Amalco until their successors are elected or appointed, shall be the following persons whose names and addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Canadian Resident</u>
Michael Aronovici	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	yes
Paul Haggis	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	yes
Sidney M. Horn	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	yes
John A. Rothschild	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	yes
Steven Sharpe	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	yes

- (viii) the by-laws of Amalco shall be the by-laws of TradeMarkCo; and
 - (ix) all of the rights, properties and liabilities of TradeMarkCo, PRC and Newco shall become the rights, properties and liabilities of Amalco.
- (h) Furthermore, the following shall occur:
- (i) all the shares of Newco shall be surrendered for cancellation without further consideration;
 - (ii) in consideration for the common shares in TradeMarkCo surrendered for cancellation on the amalgamation, Amalco shall issue 6,443,436 Class A Limited Voting Shares of Amalco to the Fund;
 - (iii) in consideration for the common shares, First Series C Preferred and Second Series C Preferred in PRC surrendered for cancellation on the amalgamation, Amalco shall issue

102,992 Class A Limited Voting Shares, 1,571,143 Class B Shares and 611,000 Class C Shares to PRH; and

- (iv) the TradeMarkCo Loan shall be cancelled.

Reduction of Stated Capital of Amalco

- (i) the stated capital of the outstanding shares of Amalco will be reduced as set out in the Plan of Arrangement Notice;

Winding-up and dissolution of the Fund

- (j) the Fund shall wind-up its affairs and liquidate and the following shall occur:
 - (i) the Fund will be dissolved in accordance with the Declaration of Trust;
 - (ii) Unitholders shall receive one Class A Limited Voting Share of Amalco in exchange for each Unit and Limited Voting Unit held in the Fund immediately prior to its winding-up and liquidation;
 - (iii) the outstanding Units and Limited Voting Units of the Fund shall be cancelled; and
 - (iv) the Declaration of Trust shall be terminated.

4.2 Exchange of Units for Amalco Shares

Upon the exchange of Units for Class A Limited Voting Shares pursuant to Section 4.1(j)(ii):

- (a) each former holder of Units shall cease to be the holder of the Units so exchanged and the name of each such holder shall be removed from the register of holders of Units; and
- (b) each such holder of Units shall become the holder of the Class A Limited Voting Shares exchanged for the Units held by such holder and shall be added to the register of holders of Class A Limited Voting Shares in respect thereof.

**ARTICLE 5
OUTSTANDING CERTIFICATES**

5.1 Book Entry System and Certificates

Registration of interests in and transfers of the Class A Limited Voting Shares will be made through a book-based system (the "**Book Entry System**") administered by CDS. On or about the Effective Date, Amalco will deliver to CDS one or more certificates evidencing the aggregate number of Class A Limited Voting Shares issued in connection with the Arrangement.

Class A Limited Voting Shares may be purchased, transferred or surrendered for redemption through a participant in the CDS depository service (a "**CDS Participant**"). All rights of holders of Class A Limited Voting Shares may be exercised through, and all payments or other property to which such holder is entitled, may be made or delivered by, CDS or the CDS Participant through which the holder holds such Class A Limited Voting Shares. Upon purchase of such Class A Limited Voting Shares, the holders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Class A Limited Voting Shares are purchased.

Amalco may issue certificates representing Class A Limited Voting Shares to one or more shareholders, where such issuances is warranted in the opinion of Amalco. Amalco also has the option to terminate registration of the Class A Limited Voting Shares through the Book Entry System, in which case

certificates for the Class A Limited Voting Shares in fully registered form would be issued to beneficial owners of such Class A Limited Voting Shares or their nominees.

5.2 Lost or Missing Unit Certificates

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Units that were exchanged for Class A Limited Voting Shares pursuant to Section 4.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the registered holder thereof in the register of Units maintained by the Transfer Agent shall, as a condition precedent to the receipt thereof, provide to Amalco a bond, in form and substance satisfactory to Amalco, or shall otherwise indemnify Amalco to its satisfaction, in its sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

**ARTICLE 6
AMENDMENTS**

6.1 Right to Amendment

Subject to Sections 6.2, 6.3 and 6.4, the parties to the Combination Agreement may amend this Plan of Arrangement at any time, provided that each such amendment must be: (i) set out in writing; (ii) approved in writing by all of the parties to the Combination Agreement; and (iii) filed with the Court;

6.2 Amendments Before Meeting

Any amendment to this Plan of Arrangement may be proposed by the Fund, TradeMarkCo or PRC at any time prior to or at the Meeting (provided that the other parties to the Combination Agreement shall have consented thereto) with or without any other prior notice or communication to Unitholders, 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 Amendments Before Effective Time

Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, TradeMarkCo or PRC provided that the other parties to the Combination Agreement shall have consented thereto (or, if following the Effective Time, Amalco) without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, TradeMarkCo and PRC (or, if following the Effective Time, Amalco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Units or shares of PRC.

6.4 Additional Amendments

Subject to Section 6.3, the Fund, TradeMarkCo or PRC may, provided that the other parties to the Combination Agreement shall have consented thereto, amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Unitholders.

**ARTICLE 7
GENERAL**

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Combination Agreement shall make, do and execute, or cause to be made, done and executed, all such

further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 Severability of Plan of Arrangement Provisions

If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties to the Combination Agreement, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 Governing Laws

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

7.4 Time

Time is of the essence in the performance of the parties' respective obligations.

Schedule A

Amalco Share Terms

SCHEDULE "A" TO PLAN OF ARRANGEMENT

Unlimited number of Class A Limited Voting Shares ("Class A Shares");
Unlimited number of Class B Shares; and
Unlimited number of Class C Shares.

1. CLASS A SHARES

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

1.1 Voting

- (1) The holders of Class A Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of another class of shares are entitled to vote separately as a class as provided in the Act or in these Articles. Each Class A Share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Corporation at which they are entitled to vote.
- (2) Notwithstanding the foregoing, the holders of Class A Shares shall not be entitled to vote their Class A Shares for the election or the removal of any Class B Nominated Directors at a meeting of shareholders held before the Class B Nominated Director Termination Date. Holders of Class A Shares may vote their Class A Shares, along with the holders of Class B Shares, for the election or removal of any or all directors of the Corporation at any meeting of shareholders on or after the Class B Nominated Director Termination Date.

1.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation of any other class ranking prior to the Class A Shares, the holders of Class A Shares shall, at the discretion of the directors of the Corporation, be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions declared and payable by the Corporation on the Class A Shares. Without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation shall not declare or pay an Extraordinary Dividend or Distribution on the Class A Shares unless it concurrently declares and pays an Extraordinary Dividend or Distribution on the Class B Shares in accordance with Section 2.2.

1.3 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class A Shares, including the Class C Shares with respect to the Class C Liquidation Preference, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares and the holders of Class B Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2. CLASS B SHARES

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

2.1 Voting

- (1) The holders of Class B Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of another class of shares are entitled to vote separately as a class as provided in the Act or in these Articles. Each Class B Share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Corporation at which they are entitled to vote.
- (2) Notwithstanding Section 2.1(1), holders of Class B Shares shall not be entitled to vote for directors of the Corporation other than Class B Nominated Directors at any meeting of shareholders held before the Class B Nominated Director Termination Date. Holders of Class B Shares shall have the exclusive right to vote their Class B Shares for the election or removal of Class B Nominated Directors at any meeting of shareholders held before the Class B Nominated Director Termination Date, or by written resolution in lieu of any such meeting.
- (3) For the purposes of these Articles:
 - (a) “**Class B Nominated Directors**” means, as long as the holders of Class B Shares and/or their Permitted Transferees are registered owners on the date of a particular meeting of shareholders (or a written resolution in lieu thereof) held before the Class B Nominated Director Termination Date, of at least:
 - (i) 1,623,514 Class A Shares and/or Class B Shares, two directors of the Corporation; and
 - (ii) 811,757 (but less than 1,623,514) Class A Shares and/or Class B Shares, one director of the Corporation; and
 - (b) “**Class B Nominated Director Termination Date**” means the earlier of:
 - (i) the date, if any, Mr. John A. Rothschild ceases to be employed by the Corporation or any subsidiary thereof other than as a result of termination for Cause; and
 - (ii) the date immediately following the end of the 2013 Financial Year.

2.2 Dividends and Distributions

- (1) Subject to Section 2.2(2) and to Section 2.4, the holders of Class B Shares shall not be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions on the Class B Shares.
- (2) Notwithstanding the foregoing, if in any financial year of the Corporation the Corporation declares or pays an Extraordinary Dividend or Distribution on the Class A Shares, then, without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation shall declare and pay, concurrently, a dividend or distribution, as the case may be, on the Class B Shares in an amount per Class B Share equal the amount of such Extraordinary Dividend or Distribution per Class A Share.

2.3 Restriction on Issuance

Notwithstanding the unlimited number of authorized Class B Shares, no more than 1,571,143 Class B Shares may be issued by the Corporation other than pursuant to Section 4.2 or upon the prior written consent of the holders of at least 66 2/3% of issued and outstanding Class B Shares.

2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class B Shares, including the Class C Shares with respect to the Class C Liquidation Preference, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of the Class B Shares and the holders of Class A Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2.5 Optional Conversion

- (1) A holder of Class B Shares may elect, at any time permitted in the Conversion Agreement, to convert the number of issued and outstanding Class B Shares determined in the Conversion Agreement into fully paid and non assessable Class A Shares on a one-for-one basis, subject to Section 2.5(5).
- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
 - (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right specifying the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon due exercise of such conversion right in respect of Class B Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B Shares were converted pursuant to this Section 2.5. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares shall be treated for all purposes as the record holders of such Class A Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (4) If the conversion right is exercised in respect of less than all of the Class B Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class B Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (5) Notwithstanding the foregoing, the conversion ratio for each Class B Share shall be 0.8 Class A Shares, 0.6 Class A Shares or 0.5 Class A Shares, as the case may be, in the circumstances set forth in the Conversion Agreement.

2.6 Optional Conversion – Coattail

- (1) In the event that an offer is made to purchase Class A Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Class A Shares are then listed, to be made to all or substantially all the holders of Class A Shares in a jurisdiction to which the requirement applies (the "Offer"), each Class B Share shall become convertible at the option of the holder into one Class A Share at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer. The conversion right may only be exercised in respect of Class B Shares for the

purpose of depositing the resulting Class A Shares to the Offer and the Transfer Agent shall deposit the resulting Class A Shares on behalf of the holder.

- (2) To exercise such conversion right, the holder or its attorney duly authorized in writing shall:
 - (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right and of the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) No share certificates representing the Class A Shares resulting from the conversion of the Class B Shares will be delivered to the holders on whose behalf such deposit is being made.
- (4) If (i) Class A Shares resulting from the conversion and deposited pursuant to the Offer are withdrawn by the holder or are not taken up by the offeror; or (ii) the Offer is abandoned or withdrawn by the offeror or the Offer otherwise expires without such Class A Shares being taken up and paid for, then the Class A Shares resulting from the conversion will be re-converted into Class B Shares and a share certificate representing the Class B Shares will be sent to the holder by the Transfer Agent.
- (5) In the event that the offeror takes up and pays for the Class A Shares resulting from the conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.
- (6) Notwithstanding the foregoing, there will be no right to convert the Class B Shares into Class A Shares in the following cases:
 - (a) the offer to purchase Class A Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Class A Shares are then listed to be made to all or substantially all of the holders of Class A Shares in a jurisdiction to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or
 - (b) an offer to purchase Class B Shares is made concurrently with the offer to purchase Class A Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Class B Shares must be unconditional, subject to the exception that the offer for the Class B Shares may contain a condition to the effect that the offeror is not required to take up and pay for Class B Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Class A Shares; or
 - (c) holders of Class A Shares representing, in the aggregate, more than 66 $\frac{2}{3}$ % of the then outstanding Class A Shares on a fully-diluted basis (excluding shares owned immediately prior to the Offer by the offeror and any joint actor) certify to the Transfer Agent and to the Secretary of the Corporation that they will not deposit any shares in response to the Offer for the Class A Shares.

2.7 Optional Conversion – Liquidity Event.

- (1) If the Corporation enters into an agreement providing for, or otherwise permits (i) the sale, lease, license or exchange of all or substantially all of the assets of the Corporation (on a consolidated basis), or (ii) a merger, amalgamation, consolidation, reorganization or other transaction following which the holders of the Class A Shares prior to such transaction hold less than 50% of the equity securities of the amalgamated or surviving entity after such transaction (any of the foregoing a "Liquidity Event"), then each of the issued and outstanding Class B Shares shall be convertible, at the option of holder thereof, into (i) one fully paid and non assessable Class A Share (if the Class A Shares are unaffected by such Liquidity Event) or (ii)

the securities or other property into which each Class A Share is to be converted or exchanged pursuant to the Liquidity Event. The conversion of Class B Shares into Class A Shares pursuant to this Section 2.7(1) shall be effective:

- (a) immediately prior to, but conditional upon the closing of, the Liquidity Event, unless the holders of Class A Shares are entitled to vote on the Liquidity Event, in which case;
 - (b) holders of Class B Shares shall be entitled to elect to convert their Class B Shares into Class A Shares any time prior to the time of the meeting to be held to vote on such Liquidity Event, in which event such holders shall be registered as holders of the Class A Shares in question, provided that no share certificates for such Class A Shares shall be issued other than upon closing of such Liquidity Event in accordance with Section 2.7(3).
- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
- (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right and of the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon such conversion of the Class B Shares becoming effective as provided for in Section 2.7(1), a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares (if the Class B Shares are convertible into Class A Shares as a result of such Liquidity Event) into which such Class B Shares were converted pursuant to this Section 2.7. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares shall be treated for all purposes as the record holders of such Class A Shares at the time of the effectiveness of such conversion pursuant to Section 2.7(1).
- (4) If the conversion right is exercised in respect of less than all of the Class B Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class B Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (5) Written notice of any proposed Liquidity Event shall be delivered to the holders of Class B Shares not less than 15 days prior to the proposed closing date of such Liquidity Event, or such shorter period agreed in writing to by the holders of Class B Shares or as is available to the Corporation before it becomes aware of the proposed closing date.
- (6) If Class B Shares are converted into Class A Shares in order to vote on a Liquidity Event and any agreement setting forth the terms of the Liquidity Event is terminated and/or the Liquidity Event otherwise does not close by the date anticipated or such later date as agreed to by the persons involved therein, then the Corporation may elect by written notice (a “**Notice of Forced Re-Conversion**”) given at any time thereafter to the former holders of Class B Shares whose shares were so converted into Class A Shares (“**Converted Class A Shares**”) pursuant to this Section 2.7 and to the Transfer Agent to cause the re-conversion of such Converted Class A Shares held by such holder into Class B Shares on a one-for-one basis.

- (7) Upon the occurrence of such re-conversion in respect of Converted Class A Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares into which such Converted Class A Shares were re-converted pursuant to this Section 2.7. The Corporation shall deliver to the holders entitled thereto share certificates representing the Class B Shares resulting from the re-conversion of the Converted Class A Shares. The persons entitled to receive the Class B Shares issuable upon a re-conversion of Converted Class A Shares shall be treated for all purposes as the record holders of such Class B Shares on the date of delivery of the Notice of Forced Re-Conversion.

2.8 Automatic Conversion – Termination of Employment

- (1) If:
- (a) the employment of Mr. John A. Rothschild with the Corporation is terminated by the Corporation without Cause (including constructive dismissal) prior to the end of the 2012 Financial Year; and
 - (b) the Corporation achieved at least the Threshold Adjusted Earnings for the most recently ended Eligible Financial Year on or prior to the date of such termination,

then all of the issued and outstanding Class B Shares on the date of such termination of employment shall be automatically converted into Class A Shares on a one-for-one basis, without any requirement of prior notice or election. If the employment of Mr. John A. Rothschild is so terminated prior to the determination of the Threshold Adjusted Earnings for the most recently ended Eligible Financial Year, then the issued and outstanding Class B Shares on the date such Adjusted Earnings Statement is so delivered shall be automatically converted into Class A Shares on a one for one basis if the Corporation achieved at least the Threshold Adjusted Earnings for such most recently ended Eligible Financial Year, and such conversion shall be deemed to have become effective (i) as of the date of termination of employment for the purpose of determining the holders' rights to dividends and other distributions on the Class A Shares, and (ii) as of the date of the determination of such Threshold Adjusted Earnings for all other purposes. For greater certainty, any Class C Shares which are converted into Class B Shares on the same date pursuant to Section 3.7 shall not be converted into Class A Shares pursuant to this Section 2.8.

- (2) Promptly after such automatic conversion, each holder of the Class B Shares which were so converted shall:
- (a) give written notice to the Corporation and the Transfer Agent of the occurrence of such automatic conversion and of the number of Class B Shares so converted;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) Upon the occurrence of such automatic conversion in respect of Class B Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B Shares were converted pursuant to this Section 2.8. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares.
- (4) For the purposes of this Section 2.8:
- (a) "Cause" means cause as understood under the employment laws of the jurisdiction of Mr. John A. Rothschild's employment at the time of any termination of his employment, provided that, for the avoidance of doubt, Cause shall not include a failure of the Corporation to meet any earnings targets set forth in the Conversion Agreement; and

- (b) “**Threshold Adjusted Earnings**” means, if the termination of the employment of Mr. Rothschild occurs during:
- (i) the 2010 Financial Year, then \$0.00;
 - (ii) the 2011 Financial Year, then 75% of the Adjusted Earnings Target for the 2010 Financial Year; or
 - (iii) the 2012 Financial Year, then 70% of the Adjusted Earnings Target for the 2011 Financial Year.

2.9 Mandatory Redemption

- (1) If, after the release of the statement of Adjusted Earnings of the Corporation for the 2014 Financial Year pursuant to the Conversion Agreement, the Corporation is required to redeem Class C Legacy Shares pursuant to Section 3.7, then, subject to any restrictions on redemption of shares by the Corporation in the Act or any other applicable law, the Corporation shall simultaneously redeem such number of Class B Shares as is set forth below (the “**Class B Legacy Shares**”) on payment to the holders of such shares of \$0.000001 for each Class B Legacy Share to be redeemed. If the number of Class C Legacy Shares is:
- (a) 611,000, then the number of Class B Legacy Shares shall be 182,506;
 - (b) 407,333, then the number of Class B Legacy Shares shall be 138,202; or
 - (c) 203,667, then the number of Class B Legacy Shares shall be 77,900.
- (2) Before redeeming any Class B Legacy Shares, the Corporation shall mail to each person who, at the date of such mailing, is a registered holder of Class B Legacy Shares, notice of the intention of the Corporation to redeem such shares held by such registered holder. 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 such holder, at least 10 days before the date specified for redemption. Such notice shall set out the date on which redemption is to take place and the address at which the certificates for the Class B Legacy Shares are to be presented in exchange for the redemption price.
- (3) On or after the date specified for redemption, the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class B Legacy Shares, on presentation and surrender of the certificates for the Class B Legacy Shares at the address specified in the notice of redemption, and the certificates for such Class B Legacy Shares shall thereupon be cancelled, and the Class B Legacy Shares represented by such certificates shall thereupon be redeemed. On or before the date specified for redemption, the Corporation shall have the right to deposit the redemption price of Class B Legacy Shares in a special account with any chartered bank or trust company in Canada named in the notice of redemption, such redemption price to be paid to or to the order of the respective holders of such Class B Legacy Shares upon presentation and surrender of the certificates representing such shares. Upon such deposit being made, the Class B Legacy Shares shall be redeemed and the rights of the holders of such Class B Legacy Shares after such deposit shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective shares against presentation and surrender of the certificates representing such shares.
- (4) As of the date specified for redemption in such notice, the holders of the Class B Legacy Shares shall cease to be entitled to any rights in respect of such shares, except to receive the redemption price, unless payment of the redemption price shall not be made in accordance with Section 2.8(3), in which case the rights of the holders of such shares shall remain unimpaired until payment of the redemption price is made or made payable in accordance with these Articles.

- (5) The aggregate redemption price to be paid to each holder of Class B Legacy Shares for all of its Class B Legacy Shares shall be rounded up to the nearest whole cent.

3. CLASS C SHARES

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

3.1 Voting

The holders of the Class C Shares shall not, as such, be entitled to receive notice of or to attend at any meetings of the shareholders of the Corporation and shall not be entitled to vote at any such meetings, except as provided for in the Act or in these Articles.

3.2 Consent

The Corporation may not, before the date that is 31 days after the release of the statement of Adjusted Earnings for the 2012 Financial Year pursuant to the Conversion Agreement, declare or pay an Extraordinary Dividend or Distribution or enter into any agreement to support or implement a Liquidity Event or a take-over bid for the Class A Shares without the prior written approval of the holders of a majority of the issued and outstanding Class C Shares.

3.3 Dividends and Distributions

- (1) Subject to Section 3.5, the holders of Class C Shares shall not be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions on the Class C Shares.
- (2) Notwithstanding the foregoing, if in any financial year of the Corporation the Corporation declares or pays an Extraordinary Dividend or Distribution on the Class A Shares, then, without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation may (but shall not be required to) declare and pay a dividend or distribution, as the case may be, on the Class C Shares in an amount per Class C Share equal the amount of such Extraordinary Dividend or Distribution per Class A Share.

3.4 Restriction of Issuance

Notwithstanding the unlimited number of authorized Class C Shares, no more than 611,000 Class C Shares may be issued by the Corporation other than pursuant to Section 4.2 or upon the prior written consent of at least 66 ⅔% of the holders of issued and outstanding Class C Shares.

3.5 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class C Shares, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of the Class C Shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of any other shares, an amount of \$0.000001 per Class C Share (the "**Class C Liquidation Preference**"). The aggregate amount of the Class C Liquidation Preference to be paid to each holder of Class C Shares for all of its Class C Shares shall be rounded up to the nearest whole cent.

3.6 Optional Conversion

- (1) A holder of Class C Shares may elect, at any time permitted in the Conversion Agreement, to convert the number of issued and outstanding Class C Shares determined in the Conversion Agreement into fully paid and non assessable Class A Shares on a one-for-one basis.

- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
- (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right specifying the number of Class C Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class C Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon due exercise of such conversion right in respect of Class C Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class C Shares were converted pursuant to this Section 3.6. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class C Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class C Shares shall be treated for all purposes as the record holders of such Class A Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.
- (4) If the conversion right is exercised in respect of less than all of the Class C Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class C Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.

3.7 Automatic Conversion – Termination of Employment

- (1) If all of the issued and outstanding Class B Shares are automatically converted into Class A Shares pursuant to Section 2.8, then simultaneously all of the issued and outstanding Class C Shares on the date of such automatic conversion shall be automatically converted into Class B Shares on a one-for-one basis, without any requirement of prior notice or election.
- (2) Promptly after such automatic conversion, each holder of the Class C Shares which were so converted shall:
- (a) give written notice to the Corporation and the Transfer Agent of the occurrence of such automatic conversion and of the number of Class C Shares so converted;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class C Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) Upon the occurrence of such automatic conversion in respect of Class C Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares into which such Class C Shares were converted pursuant to this Section 3.7. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class B Shares resulting from the conversion of the Class C Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares to be converted. The persons entitled to receive the Class B Shares issuable upon a conversion of Class C Shares shall be treated for all purposes as the record holders of such Class B Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.

3.8 Mandatory Redemption

- (1) If after the release of the statement of Adjusted Earnings of the Corporation pursuant to the Conversion Agreement for:
 - (a) the 2012 Financial Year, the Adjusted Earnings of the Corporation for such year are less than 60% of the Adjusted Earnings Target for such year, and any issued and outstanding Class C Shares cannot be converted by the holders of such Class C Shares into Class A Shares in accordance with the Conversion Agreement; or
 - (b) the 2014 Financial Year, any issued and outstanding Class C Shares cannot be converted by the holders of such Class C Shares into Class A Shares in accordance with the Conversion Agreement,(any such Class C Shares which cannot be converted being the "Class C Legacy Shares"), then, subject to any restrictions on redemption of shares by the Corporation in the Act or any other applicable law, the Corporation shall redeem all of the outstanding Class C Legacy Shares on payment to the holders of such shares of \$0.000001 for each Class C Legacy Share to be redeemed.
- (2) Before redeeming any Class C Legacy Shares, the Corporation shall mail to each person who, at the date of such mailing, is a registered holder of Class C Legacy Shares, notice of the intention of the Corporation to redeem such shares held by such registered holder. 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 such holder, at least 10 days before the date specified for redemption. Such notice shall set out the date on which redemption is to take place and the address at which the certificates for the Class C Legacy Shares are to be presented in exchange for the redemption price.
- (3) On or after the date specified for redemption, the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class C Legacy Shares, on presentation and surrender of the certificates for the Class C Legacy Shares at the address specified in the notice of redemption, and the certificates for such Class C Legacy Shares shall thereupon be cancelled, and the Class C Legacy Shares represented by such certificates shall thereupon be redeemed. On or before the date specified for redemption, the Corporation shall have the right to deposit the redemption price of Class C Legacy Shares in a special account with any chartered bank or trust company in Canada named in the notice of redemption, such redemption price to be paid to or to the order of the respective holders of such Class C Legacy Shares upon presentation and surrender of the certificates representing such shares. Upon such deposit being made, the Class C Legacy Shares shall be redeemed and the rights of the holders of such Class C Legacy Shares after such deposit shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective shares against presentation and surrender of the certificates representing such shares.
- (4) As of the date specified for redemption in such notice, the holders of the Class C Legacy Shares shall cease to be entitled to any rights in respect of such shares, except to receive the redemption price, unless payment of the redemption price shall not be made in accordance with Section 3.7(3), in which case the rights of the holders of such shares shall remain unimpaired until payment of the redemption price is made or made payable in accordance with these Articles.
- (5) The aggregate redemption price to be paid to each holder of Class C Legacy Shares for all of its Class C Legacy Shares shall be rounded up to the nearest whole cent.

4. GENERAL

The Class A Shares, Class B Shares and Class C Shares shall have attached thereto the following rights, privileges, restrictions and conditions in addition to those set forth in Articles 1, 2 and 3:

4.1 Forced Conversion – Liquidity Event

- (1) If the holders of Class C Shares do not consent pursuant to Section 3.2 to the Corporation entering into a Liquidity Event after delivery of a request for such consent in writing by the Corporation, or fail to respond to such a written request for consent within 15 days of the delivery of such request to the holders of Class C Shares, then the Corporation may elect, by written notice (a “**Notice of Forced Conversion**”) to the holders of all of the issued and outstanding Class B Shares and Class C Shares, to cause the conversion of all of the issued and outstanding Class B Shares and Class C Shares into Class A Shares, on a one-for-one basis prior to the date of such Liquidity Event specified in the Notice of Forced Conversion.
- (2) Promptly after such forced conversion, each holder of the Class B Shares and each holder of the Class C Shares which were so converted shall deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares and Class C Shares, as the case may be, being so converted.
- (3) Upon the occurrence of such forced conversion in respect of Class B Shares and Class C Shares, a holder shall have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B Shares and Class C Shares were converted pursuant to this Section 4.1. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares and Class C Shares, as the case may be. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares and Class C Shares so converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares and Class C Shares shall be treated for all purposes as the record holders of such Class A Shares on the date the Corporation specified in the Notice of Forced Conversion (but no later than the record date established for any meeting at which the Liquidity Event is to be submitted to the shareholders for approval).
- (4) If any agreement setting forth the terms of the Liquidity Event is terminated and/or the Liquidity Event otherwise does not close by the date anticipated or such later date as agreed to by the persons involved therein, (in each case, the “**Specified Date**”), then the Corporation may elect by written notice (a “**Notice of Forced Re-Conversion**”) given to the former holders of Class B Shares and Class C Shares whose shares were so converted into Class A Shares (“**Converted Class A Shares**”) pursuant to this Section 4.1, no later than five days after the Specified Date, to cause the re-conversion of such Converted Class A Shares held by such the former holders of Class B Shares and Class C Shares into Class B Shares or Class C Shares, respectively, on a one-for one basis.
- (5) Promptly after delivery of such Notice of Forced Re-Conversion, each holder of Converted Class A Shares shall deliver to the Transfer Agent the share certificate or certificates representing the Converted Class A Shares.
- (6) Upon the occurrence of such re-conversion in respect of Converted Class A Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares or Class C Shares, as the case may be, into which such Converted Class A Shares were converted pursuant to this Section 4.1. The Corporation shall deliver to the holders entitled thereto share certificates representing the Class B Shares or Class C Shares, as the case may be, resulting from the conversion of the Converted Class A Shares. The Corporation shall give full and complete effect to the foregoing within three days of delivery to it of the share certificate or certificates representing the Converted Class A Shares. The persons entitled to receive the Class B Shares or Class C Shares, as the case may be, issuable upon a conversion of Converted Class A Shares shall be treated for all purposes as the record holders of such Class B Shares or Class C Shares, as the case may be, on the date of delivery of the Notice of Forced Re-Conversion.

4.2 Anti-Dilution Adjustments

(1) If and whenever at any time and from time to time the Corporation shall:

- (a) subdivide, re-divide or change its then outstanding Class A Shares into a greater number of Class A Shares;
- (b) reduce, combine or consolidate or change its then outstanding Class A Shares into a lesser number of Class A Shares; or
- (c) issue Class A Shares (or securities convertible into Class A Shares or exchangeable for such shares) to the holders of all or substantially all of its then outstanding Class A Shares by way of a stock dividend or other distribution,

(any of such events being hereinafter called a “**Class A Share Reorganization**”), then the number of issued and outstanding Class B Shares and the number of issued and outstanding Class C Shares shall simultaneously be adjusted by multiplying each of them by a fraction, of which:

- (i) the numerator shall be the total number of Class A Shares outstanding after the completion of such Class A Share Reorganization (but before giving effect to the issue of any Class A Shares issued after the record date for such Class A Share Reorganization otherwise than as part of such Class A Share Reorganization), including, in the case where securities exchangeable or convertible into Class A Shares are distributed, the number of Class A Shares that would have been outstanding had such securities been fully exchanged for or converted into Class A Shares on such record date (whether or not such securities are then fully exchangeable or convertible); and
 - (ii) the denominator shall be the total number of Class A Shares outstanding on such record date before giving effect to the Class A Share Reorganization.
- (d) Such adjustment shall be made successively whenever any event referred to in this Section 4.2 shall occur. In addition, the numbers of Class B Shares and Class C Shares, the redemption price of Class B Legacy Shares and Class C Legacy Shares and the Class C Liquidation Preference specified in these Articles shall simultaneously be deemed to have been adjusted in the same manner without the necessity of filing Articles of Amendment, including the numbers, prices and preferences specified in Sections 2.1(3), 2.3, 2.9, 3.4, 3.5 and 3.8.

(2) If and whenever there is a capital reorganization of the Corporation not otherwise provided for in Section 4.2(1) or a consolidation, merger, arrangement or amalgamation (other than a short-form amalgamation with a wholly-owned subsidiary of the Corporation) of the Corporation with or into another body corporate (any such event being called a “**Capital Reorganization**”), all holders of Class B Shares and Class C Shares who have not exercised their right of conversion prior to the record date for such Capital Reorganization shall be entitled to receive and shall accept, upon the exercise of such right at any time after the record date for such Capital Reorganization, in lieu of the number of Class A Shares to which it was theretofore entitled upon conversion, the amount of cash or other property or the aggregate number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization that such holder would have been entitled to receive as a result of such Capital Reorganization if, on the record date, such holder had been the registered holder of the number of Class A Shares to which it was entitled upon conversion (assuming for such purpose that all of the Class B Shares and the Class C Shares were fully convertible on such date), subject to adjustment thereafter in accordance with Section 4.2(1). No such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the holders of Class B Shares and Class C Shares shall thereafter be entitled to receive such cash or other property, or the number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization.

- (3) Upon the occurrence of each adjustment or readjustment of set forth in Section 4.2(1) or 4.2(2) above, the Corporation shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each registered holder of Class B Shares and Class C Shares a certificate setting forth such adjustment and readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any registered holder of Class B Shares or Class C Shares, furnish or cause to be furnished to such registered holder a similar certificate setting forth (i) such adjustments and readjustments, and (ii) the number of Class A Shares or, as the case may be, other securities or property which then would be received upon the conversion of the Class B Shares and Class C Shares.
- (4) If the Corporation intends to fix a record date for any Class A Share Reorganization or Capital Reorganization, then the Corporation shall, not less than 15 days prior to such record date, notify each holder of Class B Shares and Class C Shares of such intention by written notice setting forth the particulars of such Class A Share Reorganization or Capital Reorganization in reasonable detail. The holders of Class B Shares and Class C Shares may waive the giving of any such notice by delivering to the Corporation a written notice to this effect.
- (5) In the event of a dispute regarding an adjustment or failure to make an adjustment pursuant to this Section 4.2, such dispute shall be referred to an independent auditor that is a member in good standing of the Canadian Public Accountability Board (or if the Canadian Public Accountability Board does not then exist, then the closest equivalent entity at such time) and the finding of such auditor shall be binding upon the Corporation and the holders of Class B Shares and Class C Shares. Alternatively, if the Corporation and the holders of at least 66 ⅔% of the outstanding Class B Shares and of at least 66 ⅔% of the Class C Shares agree, such dispute may be settled by the dispute resolution mechanism in the Conversion Agreement.

4.3 Special Approvals

In addition to any approval of shareholders required by the Act, the Corporation shall not amend its Articles (whether by merger, consolidation, amalgamation, reorganization, arrangement or otherwise) in a manner that would adversely affect the rights, privileges, restrictions or conditions of the Class B Shares or the Class C Shares, without the written consent of the holders of at least 66 ⅔% of the outstanding Class B Shares or Class C Shares, as the case may be.

4.4 No Fractional Shares

No fractional Class A Shares shall be issued upon any conversion of Class B Shares or Class C Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash to the holder in an amount (calculated to the nearest cent) equal to the appropriate fraction multiplied by the weighted average price of the Class A Shares applicable on the date of conversion and the fractional interest shall be deemed to have been purchased by the Corporation. For the purposes of these Articles, the "weighted average price of the Class A Shares applicable on the date of conversion" shall be determined by dividing (i) the aggregate dollar trading value of all Class A Shares sold on The Toronto Stock Exchange (or, if the Class A Shares do not then trade on The Toronto Stock Exchange, then on any similar exchange for publically traded securities on which the Class A Shares are then traded) over the five consecutive trading days ending on the third trading day next preceding the date of conversion by (ii) the total number of Class A Shares sold on such stock exchange during such period.

5. INTERPRETATION

5.1 Definitions

For purposes of this Schedule "A", the following terms have the following meanings:

- (1) "Act" means the Business Corporations Act (Ontario), as amended.

- (2) **“Adjusted Earnings “** means the adjusted earnings of the Corporation as defined in the Conversion Agreement, as the same may be amended from time-to-time pursuant to the terms of the Conversion Agreement.
- (3) **“Adjusted Earnings Target”** means the earnings targets of the Corporation established in the Conversion Agreement, as the same may be amended from time-to-time pursuant to the terms of the Conversion Agreement.
- (4) **“Conversion Agreement”** means the share conversion agreement dated on or about the date of these Articles between the Corporation and Prime Restaurants Holdings Inc. with respect to, among other matters, certain conditions upon which Class B Shares and Class C Shares may be converted into Class A Shares, as such agreement may be amended from time to time.
- (5) **“Eligible Financial Year”** means each of:
 - (a) the approximately 12-month financial year of the Corporation to end on or about January 2, 2011 (the **“2010 Financial Year”**);
 - (b) the approximately 12-month financial year of the Corporation to end on or about January 1, 2012 (the **“2011 Financial Year”**);
 - (c) the approximately 12-month financial year of the Corporation to end on or about January 6, 2013 (the **“2012 Financial Year”**);
 - (d) the approximately 12-month financial year of the Corporation to end on or about January 5, 2014 (the **“2013 Financial Year”**); and
 - (e) the approximately 12-month financial year of the Corporation to end on or about January 4, 2015 (the **“2014 Financial Year”**),

the whole being established on the basis that the financial year end of the Corporation shall be on the first Sunday of January in each year. If the financial year end of the Corporation is other than the first Sunday of January in each year, then the each Eligible Financial Year shall be deemed to be adjusted to match the applicable approximately 12-month financial year of the Corporation.

- (6) **“Extraordinary Dividend or Distribution”** means:
 - (a) dividends paid on the Class A Shares in any financial year of the Corporation, whether in (x) cash, (y) shares of the Corporation, or (y) rights, options or warrants to purchase any shares, property or other assets of the Corporation (but excluding rights, options or warrants for which adjustments are made under Section 4.2), in each case to the extent that the amount or value of such dividends paid in such financial year in the aggregate exceeds \$1.12 per Class A Share.
 - (b) any dividend declared and paid by the Corporation on the Class A Shares which the directors of the Corporation declare to be an extraordinary or special dividend.

If a financial year of the Corporation used as a reference in this definition is less 12-months, then the amount used as a reference shall be adjusted to be the equivalent of what such amount would have been had the reference year been a 12-month financial year.

- (7) **“Notice of Conversion”** means a notice executed by a holder of Class B Shares or Class C Shares to be converted and by the Corporation to be delivered to the Corporation and the Transfer Agent, substantially in the form of Schedule “A” or a French-language version thereof.
- (8) **“Permitted Transferee”** means any person to whom a holder of Class B Shares or Class C Shares is permitted to transfer such shares pursuant to the Conversion Agreement.

- (9) "person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.
- (10) "Transfer Agent" means the transfer agent in respect of the Class A Shares.

5.2 Undefined Terms

All terms used in these Articles that are not defined in these Articles but are defined in the Act have the meanings ascribed thereto in the Act. Any provision of these Articles that may be read in a manner that is inconsistent with the Act shall be read so as to be consistent therewith.

5.3 Pro Rata

If less than all of Class B Shares or Class C Shares are to be converted or redeemed pursuant to these Articles and there is more than one registered holder of such class of shares, then each registered holder of such class of shares shall be entitled to, or required to, as the case may be, convert or redeem its class of shares pro rata with each other holder of such class of shares. Each holder's pro rata share of the Class B Shares or Class C Shares, as the case may be, to be converted or redeemed shall be equal to the proportion that the number of all shares of such class held by such holder at such time is to the aggregate of all shares of such class held by all holders a such time.

5.4 Calculation of Periods

Whenever payments are to be made, an action is to be taken or a notice is to be given in these Articles on or by a day which is not a Business Day, such payment shall be made, such action shall be taken or notice given on or not later than the next succeeding Business Day. "Business Day" means a day other than a Saturday, Sunday or a day on which the major commercial banks are not open for business in Toronto, Ontario. The word "day" in these Articles means a clear day and a period of days shall be deemed to commence the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a day other than a Business Day, then the period shall terminate at midnight of the day next following that is a Business Day.

5.5 Quorum

Notwithstanding anything to the contrary in the by-laws of the Corporation, a quorum of directors of the Corporation for the transaction of business shall be (i) a majority of the number of directors in office at the time, and (ii) until the Class B Nominated Director Termination Date, a majority of directors other than Class B Nominated Directors.

SCHEDULE A

Notice of Conversion

TO: The Transfer Agent of the Class A Limited Voting Shares of Prime Restaurants Inc. (the "Corporation")

This notice is given pursuant to _____ of the Articles of the Corporation [and _____ of the Conversion Agreement (as defined in the Articles)]. All capitalized words and expressions used in this notice which are defined in the Articles have the meaning attributed to such words and expressions in such Articles.

The undersigned holder of Class B Shares/Class C Shares hereby notifies the Transfer Agent that it is converting _____ Class B Shares/Class C Shares into Class A shares on a [one-for-one] [one Class B Share for 0.8 Class A Shares] [one Class B Share-for-0.6 Class A Shares] [one Class A Share-for-0.5 Class A Shares] basis, effective at the time set forth in the Articles:

(Date)

(Signature of Shareholder)

(Guarantee of Signature)

Acknowledged and confirmed as of _____, _____

PRIME RESTAURANTS INC.

Per: _____

Name:

Title:

- Please check box if the Class A Shares resulting from the conversion referred to herein are to be held for pick up by the shareholder at the principal executive offices of the Corporation or at such other reasonable place as may be specified by the Board of Directors by notice to the holders of such shares, failing which the Class A Shares will be delivered to the shareholder in accordance with the Articles of the Corporation.

Name of person in whose name Class A Shares
are to be registered, issued or delivered
(PLEASE PRINT)

Street Address or P.O. Box

City, Province and Postal Code

Signature of Shareholder

Signature guaranteed by

V5827150.1

Exhibit "B" to the Articles of Arrangement of Prime Restaurants Inc.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

LA PRÉSENT ATTEST QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE A TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

Court File No.: CV-10-8598-00CL

DATED AT TORONTO THIS 1 DAY OF April 20 10
FAIT À TORONTO LE 1 JOUR DE April 20 10

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

REGISTRAR

Souly

GREFFIER

THE HONOURABLE MR.) THURSDAY, THE 1ST
JUSTICE MORAWETZ) DAY OF APRIL, 2010

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING PRIME RESTAURANTS ROYALTY INCOME FUND, PRIME RESTAURANTS OF CANADA INC., PRC TRADEMARKS INC. and 2234567 ONTARIO LIMITED, and THEIR RESPECTIVE UNITHOLDERS AND SHAREHOLDERS

PRIME RESTAURANTS ROYALTY INCOME FUND, PRIME RESTAURANTS OF CANADA INC., PRC TRADEMARKS INC., PRIME RESTAURANT HOLDINGS INC., and 2234567 ONTARIO LIMITED

Applicants

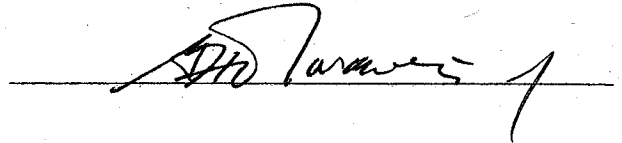
ORDER

THIS APPLICATION made by the Applicants pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA"), for an order approving a proposed arrangement (the "Arrangement"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of Brian Elliot sworn February 26, 2010, the Affidavit of Brian Elliot sworn March 30, 2010, together with the exhibits thereto, the Order of the Honourable Justice Cameron dated March 4, 2010, all filed, and on hearing the

submissions of counsel for the Applicants, no one else appearing for any other person, including any holder of units of the Fund as of February 26, 2010,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this Order, is an arrangement within the meaning of section 182 of the OBCA and is fair and reasonable to all affected parties.
2. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this Order, shall be and is hereby approved.
3. **THIS COURT ORDERS** that the Applicants shall be entitled to seek leave to vary this Order upon such terms and upon the giving of such notice as this Honourable Court may direct, to seek the advice and direction of this Honourable Court as to the implementation of this Order and/or to apply for such further order or orders as may be appropriate.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 0 1 2010

PER / PAR: TV

Schedule "A"

Appendix "D"

Plan of Arrangement

UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (Ontario)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

- (a) "Amalco" means Prime Restaurants Inc., the corporation that will result from the amalgamation of PRC, Newco and TradeMarkCo pursuant to the Arrangement as contemplated by Article 4;
- (b) "Amalco Shares" means, collectively the Class A Limited Voting Shares, Class B Shares and Class C Shares in the capital of Amalco, which shares will be issued to shareholders of TradeMarkCo and PRC pursuant to this Plan of Arrangement;
- (c) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (d) "Articles of Arrangement" means the articles in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted;
- (e) "Business Day" means any day, other than Saturday, Sunday or any statutory holiday, where banks are generally open in Toronto, Ontario, for the transaction of banking business;
- (f) "Book Entry System" has the meaning ascribed to it in Section 5.1;
- (g) "Class A Limited Voting Shares" means the class A limited voting shares in the share capital of Amalco;
- (h) "Class B Shares" means the class B shares in the share capital of Amalco;
- (i) "Class C Shares" means the class C shares in the share capital of Amalco;
- (j) "CDS Participant" has the meaning ascribed to it in Section 5.1;
- (k) "CDS" means CDS Clearing and Depository Services Inc.;
- (l) "Certificate" means the certificate to be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;
- (m) "Combination Agreement" means the combination agreement dated as of February 25, 2010, among the Fund, PRH, PRC, TradeMarkCo and Newco with respect to the Arrangement and all amendments thereto;
- (n) "Court" means the Ontario Superior Court of Justice;

- (o) **"Declaration of Trust"** means the declaration of trust dated May 28, 2002, pursuant to which the Fund was created, as further amended, supplemented or restated from time to time;
- (p) **"Director"** means the director appointed under Section 278 of the OBCA;
- (q) **"Effective Date"** means the date the Arrangement is effective under the OBCA;
- (r) **"Effective Time"** means 12:01 a.m. (EST) (Toronto time) on the Effective Date;
- (s) **"Final Order"** means the final order of the Court approving this Arrangement as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (t) **"Fund"** means Prime Restaurants Royalties Income Fund, a limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust;
- (u) **"Information Circular"** means the information circular of the Fund to be dated on or about March 4, 2010, together with all appendices thereto, forwarded as part of the proxy solicitation materials to Unitholders in respect of the Meeting;
- (v) **"Interim Order"** means the interim order of the Court concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court with the consent of the parties to the Combination Agreement, acting reasonably;
- (w) **"Limited Voting Units"** means the limited voting units of the Fund;
- (x) **"Meeting"** means the annual and special meeting of Unitholders to be held to consider, among other things, the Arrangement and related matters, and any adjournment or postponement thereof;
- (y) **"Newco"** means 2234567 Ontario Limited, a wholly-owned subsidiary of the Fund incorporated under the laws of the Province of Ontario;
- (z) **"OBCA"** means the *Business Corporations Act*, R.S.O. 1990, c. B-16, and the regulations thereto, as now in effect and as it may be amended from time to time prior to the Effective Date;
- (aa) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (bb) **"Plan of Arrangement"** means this plan of arrangement and any amendment or variation made in accordance with Section 6.1 or made at the direction of the Court in the Final Order;
- (cc) **"Plan of Arrangement Notice"** means a joint notice provided by PRH, PRC and the Fund to TradeMarkCo at least three (3) Business Days prior to the Effective Date specifying (i) the principal amount outstanding pursuant to the Shareholder Loan and the number of common shares of PRC to be issued to PRH in consideration for the cancellation of the Shareholder Loan as contemplated by section 3.1(a); (ii) the number of common shares of PRC to be issued to PRH in consideration for the transfer of PRA as contemplated by section 3.1(b); (iii) the consolidation ratio for the outstanding common shares of TradeMarkCo pursuant to section 4.1(d); (iv) the number of common shares of Newco to be issued to the Fund in consideration for the transfer of the TradeMarkCo Loan pursuant to section 4.1(e); (v) the number of common shares of TradeMarkCo to be issued to the Fund in consideration for the transfer of Newco pursuant to section 4.1(f); (vii) the amount of the reduction of the stated capital of the outstanding shares of

Amalco pursuant to section 4.1(i); and (viii) any other information or directives which may be useful for the completion of this Plan of Arrangement;

- (dd) "PRA" means Prime Restaurants of America Inc., a wholly-owned subsidiary of PRH incorporated under the laws of the State of Delaware;
- (ee) "PRC" means Prime Restaurants of Canada Inc., a wholly-owned subsidiary of PRH incorporated under the laws of the Province of Ontario;
- (ff) "PRH" means Prime Restaurant Holdings Inc., a corporation incorporated under the laws of the Province of Ontario;
- (gg) "Shareholder Loan" means the outstanding loan from PRH to PRC in the principal amount of \$577,500;
- (hh) "TradeMarkCo Loan" means outstanding loans from TradeMarkCo to the Fund represented by notes issued pursuant to the note indenture dated as of July 22, 2002 between TradeMarkCo and Computershare Trust Company of Canada;
- (ii) "TradeMarkCo" means PRC Trademarks Inc., a corporation continued under the laws of the Province of Ontario;
- (jj) "Transfer Agent" means Computershare Investor Services Inc.;
- (kk) "Unitholders" means holders from time to time of Units and Limited Voting Units; and
- (ll) "Units" means the trust units of the Fund.

1.2 Headings

The division of this Plan of 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 Plan of Arrangement.

1.3 Interpretation

- (a) 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 Plan of Arrangement.
- (b) 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, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.4 Calculation of Days

- (a) Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following, if the last day of the period is not a Business Day.
- (b) In the event that the date on which any action is required to be taken hereunder by any of the parties to the Combination Agreement 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, except that the Effective Date can fall on a date that is not a Business Day.

1.5 Statutory References

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

**ARTICLE 2
COMBINATION AGREEMENT**

2.1 Arrangement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of, the Combination Agreement.

2.2 Binding Effect

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, shall become effective on, and be binding on and after, the Effective Time on: (i) the Unitholders; (ii) the Fund; (iii) TradeMarkCo; (iv) PRH; (v) PRC and (vi) Newco.

2.3 Certificate

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 4 has become effective in the sequence and at the times set out therein.

2.4 Order of Completion of Steps

All of the steps and events listed in Article 4 shall be completed in accordance with the following:

- (a) the steps and events listed shall be completed in numerical order and sequence provided in Article 4, without further act or formality;
- (b) each of such steps and events shall be mutually conditional, such that no single event may occur without all events occurring in sequence, thereby effecting the integrated transaction which constitutes the Arrangement; and
- (c) upon implementation of the first step of the Arrangement, each of the other steps will occur automatically and in sequence until each of the steps is completed and the Arrangement is effective, provided that if any of the steps in Article 4 fails to occur or be completed then all of the steps will be deemed not to have occurred.

**ARTICLE 3
PRE-ARRANGEMENT TRANSACTIONS**

3.1 Pre-Arrangement Steps

Unless otherwise consented to by the Fund in writing, each of the events set out below shall be completed on or prior to the date immediately before the Effective Date:

Exchange and Cancellation of the Shareholder Loans

- (a) the Shareholder Loan shall be exchanged and cancelled in consideration for such number of shares of PRC to be set out in the Plan of Arrangement Notice;

Transfer of PRA

- (b) PRH shall transfer all its shares of PRA to PRC in consideration for such number of shares of PRC to be set out in the Plan of Arrangement Notice; and

PRC Declares a Dividend

- (c) PRC shall declare a dividend on its common shares, which dividend shall be payable by transferring its 333,436 Limited Voting Units of the Fund to its sole shareholder, PRH.

**ARTICLE 4
ARRANGEMENT**

4.1 Arrangement Steps

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring one minute apart, without any further act or formality except as otherwise provided herein:

Amendment of the Declaration of Trust

- (a) the Declaration of Trust shall be amended, to the extent necessary, to facilitate the Arrangement as provided herein and to permit the distribution that would typically be paid in April to Voting Unitholders of record on March 31, 2010 to instead be paid as a dividend of Amalco on or about April 15, 2010 to holders of Class A Limited Voting Shares of Amalco of record on April 8, 2010;

Cancellation of Interest Accrued on the TradeMarkCo Loan

- (b) all of the interest accrued and unpaid on the TradeMarkCo Loan shall be cancelled without further consideration;

Cancellation of Class A Common Shares and Class B Common Shares of TradeMarkCo

- (c) the class A common shares and class B common shares of TradeMarkCo shall be cancelled without further consideration;

Consolidation of Common Shares of TradeMarkCo

- (d) (i) the common shares of TradeMarkCo shall be consolidated based on a ratio to be set out in the Plan of Arrangement Notice and (ii) no fractional shares shall be issued on such consolidation and as a result of this consolidation, only one common share of TradeMarkCo will remain outstanding and will be held by the Fund;

Transfer of TradeMarkCo Loan

- (e) the Fund shall transfer the TradeMarkCo Loan to Newco in consideration for such number of shares of Newco to be set out in the Plan of Arrangement Notice;

Transfer of Newco

- (f) the Fund shall transfer all of the shares of Newco held by the Fund to TradeMarkCo in consideration for such number of common shares of TradeMarkCo to be set out in the Plan of Arrangement Notice and the assumption by TradeMarkCo of all of the liabilities of the Fund pursuant to an assignment agreement;

Amalgamation of TradeMarkCo, PRC and Newco to continue as Amalco

- (g) TradeMarkCo, PRC and Newco shall amalgamate to continue as Amalco:
- (i) the name of Amalco shall be Prime Restaurants Inc.;
 - (ii) the head office of Amalco shall be situated in the province of Ontario and the address of its head office shall be 10 Kingsbridge Garden Circle, Suite 600, Mississauga, Ontario, L5R 3K6;
 - (iii) the auditors of Amalco shall be PricewaterhouseCoopers LLP;
 - (iv) Amalco shall be authorized to issue an unlimited number of Class A Limited Voting Shares, Class B Shares and Class C Shares, having the rights, privileges, conditions and restrictions set out in Schedule A;
 - (v) there shall be no restrictions on the activities that Amalco is authorized to carry on, nor any restrictions on the transfer of Amalco's Class A Limited Voting Shares;
 - (vi) the board of directors of Amalco will consist of not less than three and not more than ten directors, the exact number of which shall be determined by the directors from time to time;
 - (vii) the first directors of Amalco who shall hold office until the next annual meeting of shareholders of Amalco until their successors are elected or appointed, shall be the following persons whose names and addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Canadian Resident</u>
Michael Aronovici	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	Yes
Paul Haggis	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	Yes
Sidney M. Horn	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	Yes
John A. Rothschild	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	Yes
Steven Sharpe	10 Kingsbridge Garden Circle, Suite 600 Mississauga, Ontario L5R 3K6	Yes

- (viii) the by-laws of Amalco shall be the by-laws of TradeMarkCo; and
 - (ix) all of the rights, properties and liabilities of TradeMarkCo, PRC and Newco shall become the rights, properties and liabilities of Amalco.
- (h) Furthermore, the following shall occur:
- (i) all the shares of Newco shall be surrendered for cancellation without further consideration;
 - (ii) in consideration for the common shares in TradeMarkCo surrendered for cancellation on the amalgamation, Amalco shall issue 6,443,436 Class A Limited Voting Shares of Amalco to the Fund;
 - (iii) in consideration for the common shares, First Series C Preferred and Second Series C Preferred in PRC surrendered for cancellation on the amalgamation, Amalco shall issue

102,992 Class A Limited Voting Shares, 1,571,143 Class B Shares and 611,000 Class C Shares to PRH; and

- (iv) the TradeMarkCo Loan shall be cancelled.

Reduction of Stated Capital of Amalco

- (i) the stated capital of the outstanding shares of Amalco will be reduced as set out in the Plan of Arrangement Notice;

Winding-up and dissolution of the Fund

- (j) the Fund shall wind-up its affairs and liquidate and the following shall occur:
 - (i) the Fund will be dissolved in accordance with the Declaration of Trust;
 - (ii) Unitholders shall receive one Class A Limited Voting Share of Amalco in exchange for each Unit and Limited Voting Unit held in the Fund immediately prior to its winding-up and liquidation;
 - (iii) the outstanding Units and Limited Voting Units of the Fund shall be cancelled; and
 - (iv) the Declaration of Trust shall be terminated.

4.2 Exchange of Units for Amalco Shares

Upon the exchange of Units for Class A Limited Voting Shares pursuant to Section 4.1(j)(ii):

- (a) each former holder of Units shall cease to be the holder of the Units so exchanged and the name of each such holder shall be removed from the register of holders of Units; and
- (b) each such holder of Units shall become the holder of the Class A Limited Voting Shares exchanged for the Units held by such holder and shall be added to the register of holders of Class A Limited Voting Shares in respect thereof.

**ARTICLE 5
OUTSTANDING CERTIFICATES**

5.1 Book Entry System and Certificates

Registration of interests in and transfers of the Class A Limited Voting Shares will be made through a book-based system (the "Book Entry System") administered by CDS. On or about the Effective Date, Amalco will deliver to CDS one or more certificates evidencing the aggregate number of Class A Limited Voting Shares issued in connection with the Arrangement.

Class A Limited Voting Shares may be purchased, transferred or surrendered for redemption through a participant in the CDS depository service (a "CDS Participant"). All rights of holders of Class A Limited Voting Shares may be exercised through, and all payments or other property to which such holder is entitled, may be made or delivered by, CDS or the CDS Participant through which the holder holds such Class A Limited Voting Shares. Upon purchase of such Class A Limited Voting Shares, the holders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Class A Limited Voting Shares are purchased.

Amalco may issue certificates representing Class A Limited Voting Shares to one or more shareholders, where such issuances is warranted in the opinion of Amalco. Amalco also has the option to terminate registration of the Class A Limited Voting Shares through the Book Entry System, in which case

certificates for the Class A Limited Voting Shares in fully registered form would be issued to beneficial owners of such Class A Limited Voting Shares or their nominees.

5.2 Lost or Missing Unit Certificates

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Units that were exchanged for Class A Limited Voting Shares pursuant to Section 4.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the registered holder thereof in the register of Units maintained by the Transfer Agent shall, as a condition precedent to the receipt thereof, provide to Amalco a bond, in form and substance satisfactory to Amalco, or shall otherwise indemnify Amalco to its satisfaction, in its sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 6 AMENDMENTS

6.1 Right to Amendment

Subject to Sections 6.2, 6.3 and 6.4, the parties to the Combination Agreement may amend this Plan of Arrangement at any time, provided that each such amendment must be: (i) set out in writing; (ii) approved in writing by all of the parties to the Combination Agreement; and (iii) filed with the Court;

6.2 Amendments Before Meeting

Any amendment to this Plan of Arrangement may be proposed by the Fund, TradeMarkCo or PRC at any time prior to or at the Meeting (provided that the other parties to the Combination Agreement shall have consented thereto) with or without any other prior notice or communication to Unitholders, 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 Amendments Before Effective Time

Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, TradeMarkCo or PRC provided that the other parties to the Combination Agreement shall have consented thereto (or, if following the Effective Time, Amalco) without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, TradeMarkCo and PRC (or, if following the Effective Time, Amalco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Units or shares of PRC.

6.4 Additional Amendments

Subject to Section 6.3, the Fund, TradeMarkCo or PRC may, provided that the other parties to the Combination Agreement shall have consented thereto, amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Unitholders.

ARTICLE 7 GENERAL

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Combination Agreement shall make, do and execute, or cause to be made, done and executed, all such

further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 Severability of Plan of Arrangement Provisions

If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties to the Combination Agreement, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 Governing Laws

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

7.4 Time

Time is of the essence in the performance of the parties' respective obligations.

Schedule A to Plan of Arrangement

Amalco Share Terms

SCHEDULE "A" TO PLAN OF ARRANGEMENT

Unlimited number of Class A Limited Voting Shares ("Class A Shares");
Unlimited number of Class B Shares; and
Unlimited number of Class C Shares.

1. CLASS A SHARES

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

1.1 Voting

- (1) The holders of Class A Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of another class of shares are entitled to vote separately as a class as provided in the Act or in these Articles. Each Class A Share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Corporation at which they are entitled to vote.
- (2) Notwithstanding the foregoing, the holders of Class A Shares shall not be entitled to vote their Class A Shares for the election or the removal of any Class B Nominated Directors at a meeting of shareholders held before the Class B Nominated Director Termination Date. Holders of Class A Shares may vote their Class A Shares, along with the holders of Class B Shares, for the election or removal of any or all directors of the Corporation at any meeting of shareholders on or after the Class B Nominated Director Termination Date.

1.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation of any other class ranking prior to the Class A Shares, the holders of Class A Shares shall, at the discretion of the directors of the Corporation, be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions declared and payable by the Corporation on the Class A Shares. Without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation shall not declare or pay an Extraordinary Dividend or Distribution on the Class A Shares unless it concurrently declares and pays an Extraordinary Dividend or Distribution on the Class B Shares in accordance with Section 2.2.

1.3 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class A Shares, including the Class C Shares with respect to the Class C Liquidation Preference, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its

shareholders for the purpose of winding-up its affairs, the holders of the Class A Shares and the holders of Class B Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2. CLASS B SHARES

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

2.1 Voting

- (1) The holders of Class B Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of another class of shares are entitled to vote separately as a class as provided in the Act or in these Articles. Each Class B Share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Corporation at which they are entitled to vote.
- (2) Notwithstanding Section 2.1(1), holders of Class B Shares shall not be entitled to vote for directors of the Corporation other than Class B Nominated Directors at any meeting of shareholders held before the Class B Nominated Director Termination Date. Holders of Class B Shares shall have the exclusive right to vote their Class B Shares for the election or removal of Class B Nominated Directors at any meeting of shareholders held before the Class B Nominated Director Termination Date, or by written resolution in lieu of any such meeting.
- (3) For the purposes of these Articles:
 - (a) "Class B Nominated Directors" means, as long as the holders of Class B Shares and/or their Permitted Transferees are registered owners on the date of a particular meeting of shareholders (or a written resolution in lieu thereof) held before the Class B Nominated Director Termination Date, of at least:
 - (i) 1,623,514 Class A Shares and/or Class B Shares, two directors of the Corporation; and
 - (ii) 811,757 (but less than 1,623,514) Class A Shares and/or Class B Shares, one director of the Corporation; and

- (b) "Class B Nominated Director Termination Date" means the earlier of:
- (i) the date, if any, Mr. John A. Rothschild ceases to be employed by the Corporation or any subsidiary thereof other than as a result of termination for Cause; and
 - (ii) the date immediately following the end of the 2013 Financial Year.

2.2 Dividends and Distributions

- (1) Subject to Section 2.2(2) and to Section 2.4, the holders of Class B Shares shall not be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions on the Class B Shares.
- (2) Notwithstanding the foregoing, if in any financial year of the Corporation the Corporation declares or pays an Extraordinary Dividend or Distribution on the Class A Shares, then, without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation shall declare and pay, concurrently, a dividend or distribution, as the case may be, on the Class B Shares in an amount per Class B Share equal the amount of such Extraordinary Dividend or Distribution per Class A Share.

2.3 Restriction on Issuance

Notwithstanding the unlimited number of authorized Class B Shares, no more than 1,571,143 Class B Shares may be issued by the Corporation other than pursuant to Section 4.2 or upon the prior written consent of the holders of at least 66 ⅔% of issued and outstanding Class B Shares.

2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class B Shares, including the Class C Shares with respect to the Class C Liquidation Preference, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of the Class B Shares and the holders of Class A Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2.5 Optional Conversion

- (1) A holder of Class B Shares may elect, at any time permitted in the Conversion Agreement, to convert the number of issued and outstanding Class B Shares

determined in the Conversion Agreement into fully paid and non assessable Class A Shares on a one-for-one basis, subject to Section 2.5(5).

- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
 - (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right specifying the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon due exercise of such conversion right in respect of Class B Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B Shares were converted pursuant to this Section 2.5. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares shall be treated for all purposes as the record holders of such Class A Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (4) If the conversion right is exercised in respect of less than all of the Class B Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class B Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (5) Notwithstanding the foregoing, the conversion ratio for each Class B Share shall be 0.8 Class A Shares, 0.6 Class A Shares or 0.5 Class A Shares, as the case may be, in the circumstances set forth in the Conversion Agreement.

2.6 Optional Conversion - Coattail

- (1) In the event that an offer is made to purchase Class A Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a

stock exchange on which the Class A Shares are then listed, to be made to all or substantially all the holders of Class A Shares in a jurisdiction to which the requirement applies (the "Offer"), each Class B Share shall become convertible at the option of the holder into one Class A Share at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer. The conversion right may only be exercised in respect of Class B Shares for the purpose of depositing the resulting Class A Shares to the Offer and the Transfer Agent shall deposit the resulting Class A Shares on behalf of the holder.

- (2) To exercise such conversion right, the holder or its attorney duly authorized in writing shall:
 - (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right and of the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) No share certificates representing the Class A Shares resulting from the conversion of the Class B Shares will be delivered to the holders on whose behalf such deposit is being made.
- (4) If (i) Class A Shares resulting from the conversion and deposited pursuant to the Offer are withdrawn by the holder or are not taken up by the offeror; or (ii) the Offer is abandoned or withdrawn by the offeror or the Offer otherwise expires without such Class A Shares being taken up and paid for, then the Class A Shares resulting from the conversion will be re-converted into Class B Shares and a share certificate representing the Class B Shares will be sent to the holder by the Transfer Agent.
- (5) In the event that the offeror takes up and pays for the Class A Shares resulting from the conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.
- (6) Notwithstanding the foregoing, there will be no right to convert the Class B Shares into Class A Shares in the following cases:
 - (a) the offer to purchase Class A Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Class A Shares are then listed to be made to all or substantially all of the holders of

Class A Shares in a jurisdiction to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or

- (b) an offer to purchase Class B Shares is made concurrently with the offer to purchase Class A Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Class B Shares must be unconditional, subject to the exception that the offer for the Class B Shares may contain a condition to the effect that the offeror is not required to take up and pay for Class B Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Class A Shares; or
- (c) holders of Class A Shares representing, in the aggregate, more than 66 $\frac{2}{3}$ % of the then outstanding Class A Shares on a fully-diluted basis (excluding shares owned immediately prior to the Offer by the offeror and any joint actor) certify to the Transfer Agent and to the Secretary of the Corporation that they will not deposit any shares in response to the Offer for the Class A Shares.

2.7 Optional Conversion - Liquidity Event.

- (1) If the Corporation enters into an agreement providing for, or otherwise permits (i) the sale, lease, license or exchange of all or substantially all of the assets of the Corporation (on a consolidated basis), or (ii) a merger, amalgamation, consolidation, reorganization or other transaction following which the holders of the Class A Shares prior to such transaction hold less than 50% of the equity securities of the amalgamated or surviving entity after such transaction (any of the foregoing a "Liquidity Event"), then each of the issued and outstanding Class B Shares shall be convertible, at the option of holder thereof, into (i) one fully paid and non-assessable Class A Share (if the Class A Shares are unaffected by such Liquidity Event) or (ii) the securities or other property into which each Class A Share is to be converted or exchanged pursuant to the Liquidity Event. The conversion of Class B Shares into Class A Shares pursuant to this Section 2.7(1) shall be effective:
 - (a) immediately prior to, but conditional upon the closing of, the Liquidity Event, unless the holders of Class A Shares are entitled to vote on the Liquidity Event, in which case;
 - (b) holders of Class B Shares shall be entitled to elect to convert their Class B Shares into Class A Shares any time prior to the time of the meeting to be held to vote on such Liquidity Event, in which event such holders shall be registered as holders of the Class A Shares in question, provided that no

share certificates for such Class A Shares shall be issued other than upon closing of such Liquidity Event in accordance with Section 2.7(3).

- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
- (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right and of the number of Class B Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon such conversion of the Class B Shares becoming effective as provided for in Section 2.7(1), a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares (if the Class B Shares are convertible into Class A Shares as a result of such Liquidity Event) into which such Class B Shares were converted pursuant to this Section 2.7. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares shall be treated for all purposes as the record holders of such Class A Shares at the time of the effectiveness of such conversion pursuant to Section 2.7(1).
- (4) If the conversion right is exercised in respect of less than all of the Class B Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class B Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares being converted.
- (5) Written notice of any proposed Liquidity Event shall be delivered to the holders of Class B Shares not less than 15 days prior to the proposed closing date of such Liquidity Event, or such shorter period agreed in writing to by the holders of Class B Shares or as is available to the Corporation before it becomes aware of the proposed closing date.

- (6) If Class B Shares are converted into Class A Shares in order to vote on a Liquidity Event and any agreement setting forth the terms of the Liquidity Event is terminated and/or the Liquidity Event otherwise does not close by the date anticipated or such later date as agreed to by the persons involved therein, then the Corporation may elect by written notice (a "Notice of Forced Re-Conversion") given at any time thereafter to the former holders of Class B Shares whose shares were so converted into Class A Shares ("Converted Class A Shares") pursuant to this Section 2.7 and to the Transfer Agent to cause the re-conversion of such Converted Class A Shares held by such holder into Class B Shares on a one-for-one basis.
- (7) Upon the occurrence of such re-conversion in respect of Converted Class A Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares into which such Converted Class A Shares were re-converted pursuant to this Section 2.7. The Corporation shall deliver to the holders entitled thereto share certificates representing the Class B Shares resulting from the re-conversion of the Converted Class A Shares. The persons entitled to receive the Class B Shares issuable upon a re-conversion of Converted Class A Shares shall be treated for all purposes as the record holders of such Class B Shares on the date of delivery of the Notice of Forced Re-Conversion.

2.8 Automatic Conversion - Termination of Employment

- (1) If:
- (a) the employment of Mr. John A. Rothschild with the Corporation is terminated by the Corporation without Cause (including constructive dismissal) prior to the end of the 2012 Financial Year; and
 - (b) the Corporation achieved at least the Threshold Adjusted Earnings for the most recently ended Eligible Financial Year on or prior to the date of such termination,

then all of the issued and outstanding Class B Shares on the date of such termination of employment shall be automatically converted into Class A Shares on a one-for-one basis, without any requirement of prior notice or election. If the employment of Mr. John A. Rothschild is so terminated prior to the determination of the Threshold Adjusted Earnings for the most recently ended Eligible Financial Year, then the issued and outstanding Class B Shares on the date such Adjusted Earnings Statement is so delivered shall be automatically converted into Class A Shares on a one-for-one basis if the Corporation achieved at least the Threshold Adjusted Earnings for such most recently ended Eligible Financial Year, and such conversion shall be deemed to have become effective (i) as of the date of termination of employment for the purpose of determining the holders' rights to dividends and other distributions on the Class A Shares, and (ii) as of the date of the determination of such Threshold Adjusted Earnings for all other purposes. For

greater certainty, any Class C Shares which are converted into Class B Shares on the same date pursuant to Section 3.7 shall not be converted into Class A Shares pursuant to this Section 2.8.

- (2) Promptly after such automatic conversion, each holder of the Class B Shares which were so converted shall:
 - (a) give written notice to the Corporation and the Transfer Agent of the occurrence of such automatic conversion and of the number of Class B Shares so converted;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) Upon the occurrence of such automatic conversion in respect of Class B Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B Shares were converted pursuant to this Section 2.8. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares.
- (4) For the purposes of this Section 2.8:
 - (a) "Cause" means cause as understood under the employment laws of the jurisdiction of Mr. John A. Rothschild's employment at the time of any termination of his employment, provided that, for the avoidance of doubt, Cause shall not include a failure of the Corporation to meet any earnings targets set forth in the Conversion Agreement; and
 - (b) "Threshold Adjusted Earnings" means, if the termination of the employment of Mr. Rothschild occurs during:
 - (i) the 2010 Financial Year, then \$0.00;
 - (ii) the 2011 Financial Year, then 75% of the Adjusted Earnings Target for the 2010 Financial Year; or
 - (iii) the 2012 Financial Year, then 70% of the Adjusted Earnings Target for the 2011 Financial Year.

2.9 Mandatory Redemption

- (1) If, after the release of the statement of Adjusted Earnings of the Corporation for the 2014 Financial Year pursuant to the Conversion Agreement, the Corporation is required to redeem Class C Legacy Shares pursuant to Section 3.7, then, subject to any restrictions on redemption of shares by the Corporation in the Act or any other applicable law, the Corporation shall simultaneously redeem such number of Class B Shares as is set forth below (the "Class B Legacy Shares") on payment to the holders of such shares of \$0.000001 for each Class B Legacy Share to be redeemed. If the number of Class C Legacy Shares is:
 - (a) 611,000, then the number of Class B Legacy Shares shall be 182,506;
 - (b) 407,333, then the number of Class B Legacy Shares shall be 138,202; or
 - (c) 203,667, then the number of Class B Legacy Shares shall be 77,900.
- (2) Before redeeming any Class B Legacy Shares, the Corporation shall mail to each person who, at the date of such mailing, is a registered holder of Class B Legacy Shares, notice of the intention of the Corporation to redeem such shares held by such registered holder. 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 such holder, at least 10 days before the date specified for redemption. Such notice shall set out the date on which redemption is to take place and the address at which the certificates for the Class B Legacy Shares are to be presented in exchange for the redemption price.
- (3) On or after the date specified for redemption, the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class B Legacy Shares, on presentation and surrender of the certificates for the Class B Legacy Shares at the address specified in the notice of redemption, and the certificates for such Class B Legacy Shares shall thereupon be cancelled, and the Class B Legacy Shares represented by such certificates shall thereupon be redeemed. On or before the date specified for redemption, the Corporation shall have the right to deposit the redemption price of Class B Legacy Shares in a special account with any chartered bank or trust company in Canada named in the notice of redemption, such redemption price to be paid to or to the order of the respective holders of such Class B Legacy Shares upon presentation and surrender of the certificates representing such shares. Upon such deposit being made, the Class B Legacy Shares shall be redeemed and the rights of the holders of such Class B Legacy Shares after such deposit shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective shares against presentation and surrender of the certificates representing such shares.

- (4) As of the date specified for redemption in such notice, the holders of the Class B Legacy Shares shall cease to be entitled to any rights in respect of such shares, except to receive the redemption price, unless payment of the redemption price shall not be made in accordance with Section 2.8(3), in which case the rights of the holders of such shares shall remain unimpaired until payment of the redemption price is made or made payable in accordance with these Articles.
- (5) The aggregate redemption price to be paid to each holder of Class B Legacy Shares for all of its Class B Legacy Shares shall be rounded up to the nearest whole cent.

3. **CLASS C SHARES**

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

3.1 **Voting**

The holders of the Class C Shares shall not, as such, be entitled to receive notice of or to attend at any meetings of the shareholders of the Corporation and shall not be entitled to vote at any such meetings, except as provided for in the Act or in these Articles.

3.2 **Consent**

The Corporation may not, before the date that is 31 days after the release of the statement of Adjusted Earnings for the 2012 Financial Year pursuant to the Conversion Agreement, declare or pay an Extraordinary Dividend or Distribution or enter into any agreement to support or implement a Liquidity Event or a take-over bid for the Class A Shares without the prior written approval of the holders of a majority of the issued and outstanding Class C Shares.

3.3 **Dividends and Distributions**

- (1) Subject to Section 3.5, the holders of Class C Shares shall not be entitled to receive, out of monies, assets or property of the Corporation properly applicable to the payment of dividends or distributions, any dividends or distributions on the Class C Shares.
- (2) Notwithstanding the foregoing, if in any financial year of the Corporation the Corporation declares or pays an Extraordinary Dividend or Distribution on the Class A Shares, then, without limitation to the restriction on Extraordinary Dividends or Distributions in Section 3.2, the Corporation may (but shall not be required to) declare and pay a dividend or distribution, as the case may be, on the Class C Shares in an amount per Class C Share equal the amount of such Extraordinary Dividend or Distribution per Class A Share.

3.4 Restriction of Issuance

Notwithstanding the unlimited number of authorized Class C Shares, no more than 611,000 Class C Shares may be issued by the Corporation other than pursuant to Section 4.2 or upon the prior written consent of at least 66 ⅔% of the holders of issued and outstanding Class C Shares.

3.5 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to the shares of the Corporation ranking prior to the Class C Shares, upon liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of the Class C Shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of any other shares, an amount of \$0.000001 per Class C Share (the "Class C Liquidation Preference"). The aggregate amount of the Class C Liquidation Preference to be paid to each holder of Class C Shares for all of its Class C Shares shall be rounded up to the nearest whole cent.

3.6 Optional Conversion

- (1) A holder of Class C Shares may elect, at any time permitted in the Conversion Agreement, to convert the number of issued and outstanding Class C Shares determined in the Conversion Agreement into fully paid and non-assessable Class A Shares on a one-for-one basis.
- (2) To exercise such conversion right, a holder or its attorney duly authorized in writing shall:
 - (a) give a Notice of Conversion to the Transfer Agent of the exercise of such right specifying the number of Class C Shares in respect of which the right is being exercised;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class C Shares in respect of which the right is being exercised; and
 - (c) pay any withholding tax imposed by law on such holder in respect of such conversion.
- (3) Upon due exercise of such conversion right in respect of Class C Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class C Shares were converted pursuant to this Section 3.6. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class C Shares. The Corporation shall make all

arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares to be converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class C Shares shall be treated for all purposes as the record holders of such Class A Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.

- (4) If the conversion right is exercised in respect of less than all of the Class C Shares represented by any share certificate, then the Corporation shall issue, or cause to be issued, a new share certificate representing the number of Class C Shares in respect of which the conversion right is not being exercised within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.

3.7 Automatic Conversion - Termination of Employment

- (1) If all of the issued and outstanding Class B Shares are automatically converted into Class A Shares pursuant to Section 2.8, then simultaneously all of the issued and outstanding Class C Shares on the date of such automatic conversion shall be automatically converted into Class B Shares on a one-for-one basis, without any requirement of prior notice or election.
- (2) Promptly after such automatic conversion, each holder of the Class C Shares which were so converted shall:
- (a) give written notice to the Corporation and the Transfer Agent of the occurrence of such automatic conversion and of the number of Class C Shares so converted;
 - (b) deliver to the Transfer Agent the share certificate or certificates representing the Class C Shares in respect of which the right is being exercised; and
 - (c) pay any governmental or other tax imposed on or in respect of such conversion.
- (3) Upon the occurrence of such automatic conversion in respect of Class C Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares into which such Class C Shares were converted pursuant to this Section 3.7. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class B Shares resulting from the conversion of the Class C Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares to be

converted. The persons entitled to receive the Class B Shares issuable upon a conversion of Class C Shares shall be treated for all purposes as the record holders of such Class B Shares on the date of delivery to the Transfer Agent of the share certificate or certificates representing the Class C Shares being converted.

3.8 Mandatory Redemption

- (1) If after the release of the statement of Adjusted Earnings of the Corporation pursuant to the Conversion Agreement for:
 - (a) the 2012 Financial Year, the Adjusted Earnings of the Corporation for such year are less than 60% of the Adjusted Earnings Target for such year, and any issued and outstanding Class C Shares cannot be converted by the holders of such Class C Shares into Class A Shares in accordance with the Conversion Agreement; or
 - (b) the 2014 Financial Year, any issued and outstanding Class C Shares cannot be converted by the holders of such Class C Shares into Class A Shares in accordance with the Conversion Agreement,

(any such Class C Shares which cannot be converted being the "Class C Legacy Shares"), then, subject to any restrictions on redemption of shares by the Corporation in the Act or any other applicable law, the Corporation shall redeem all of the outstanding Class C Legacy Shares on payment to the holders of such shares of \$0.000001 for each Class C Legacy Share to be redeemed.

- (2) Before redeeming any Class C Legacy Shares, the Corporation shall mail to each person who, at the date of such mailing, is a registered holder of Class C Legacy Shares, notice of the intention of the Corporation to redeem such shares held by such registered holder. 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 such holder, at least 10 days before the date specified for redemption. Such notice shall set out the date on which redemption is to take place and the address at which the certificates for the Class C Legacy Shares are to be presented in exchange for the redemption price.
- (3) On or after the date specified for redemption, the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class C Legacy Shares, on presentation and surrender of the certificates for the Class C Legacy Shares at the address specified in the notice of redemption, and the certificates for such Class C Legacy Shares shall thereupon be cancelled, and the Class C Legacy Shares represented by such certificates shall thereupon be redeemed. On or before the date specified for redemption, the Corporation shall have the right to deposit the redemption price of Class C Legacy Shares in a special account with any

chartered bank or trust company in Canada named in the notice of redemption, such redemption price to be paid to or to the order of the respective holders of such Class C Legacy Shares upon presentation and surrender of the certificates representing such shares. Upon such deposit being made, the Class C Legacy Shares shall be redeemed and the rights of the holders of such Class C Legacy Shares after such deposit shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective shares against presentation and surrender of the certificates representing such shares.

- (4) As of the date specified for redemption in such notice, the holders of the Class C Legacy Shares shall cease to be entitled to any rights in respect of such shares, except to receive the redemption price, unless payment of the redemption price shall not be made in accordance with Section 3.7(3), in which case the rights of the holders of such shares shall remain unimpaired until payment of the redemption price is made or made payable in accordance with these Articles.
- (5) The aggregate redemption price to be paid to each holder of Class C Legacy Shares for all of its Class C Legacy Shares shall be rounded up to the nearest whole cent.

4. GENERAL

The Class A Shares, Class B Shares and Class C Shares shall have attached thereto the following rights, privileges, restrictions and conditions in addition to those set forth in Articles 1, 2 and 3:

4.1 Forced Conversion - Liquidity Event

- (1) If the holders of Class C Shares do not consent pursuant to Section 3.2 to the Corporation entering into a Liquidity Event after delivery of a request for such consent in writing by the Corporation, or fail to respond to such a written request for consent within 15 days of the delivery of such request to the holders of Class C Shares, then the Corporation may elect, by written notice (a "Notice of Forced Conversion") to the holders of all of the issued and outstanding Class B Shares and Class C Shares, to cause the conversion of all of the issued and outstanding Class B Shares and Class C Shares into Class A Shares, on a one-for-one basis prior to the date of such Liquidity Event specified in the Notice of Forced Conversion.
- (2) Promptly after such forced conversion, each holder of the Class B Shares and each holder of the Class C Shares which were so converted shall deliver to the Transfer Agent the share certificate or certificates representing the Class B Shares and Class C Shares, as the case may be, being so converted.
- (3) Upon the occurrence of such forced conversion in respect of Class B Shares and Class C Shares, a holder shall have issued for its benefit a share certificate representing such number of fully-paid Class A Shares into which such Class B

Shares and Class C Shares were converted pursuant to this Section 4.1. The Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Shares resulting from the conversion of the Class B Shares and Class C Shares, as the case may be. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give full and complete effect to the foregoing within three days of delivery to the Transfer Agent of the share certificate or certificates representing the Class B Shares and Class C Shares so converted. The persons entitled to receive the Class A Shares issuable upon a conversion of Class B Shares and Class C Shares shall be treated for all purposes as the record holders of such Class A Shares on the date the Corporation specified in the Notice of Forced Conversion (but no later than the record date established for any meeting at which the Liquidity Event is to be submitted to the shareholders for approval).

- (4) If any agreement setting forth the terms of the Liquidity Event is terminated and/or the Liquidity Event otherwise does not close by the date anticipated or such later date as agreed to by the persons involved therein, (in each case, the "Specified Date"), then the Corporation may elect by written notice (a "Notice of Forced Re-Conversion") given to the former holders of Class B Shares and Class C Shares whose shares were so converted into Class A Shares ("Converted Class A Shares") pursuant to this Section 4.1, no later than five days after the Specified Date, to cause the re-conversion of such Converted Class A Shares held by such the former holders of Class B Shares and Class C Shares into Class B Shares or Class C Shares, respectively, on a one-for one basis.
- (5) Promptly after delivery of such Notice of Forced Re-Conversion, each holder of Converted Class A Shares shall deliver to the Transfer Agent the share certificate or certificates representing the Converted Class A Shares.
- (6) Upon the occurrence of such re-conversion in respect of Converted Class A Shares, a holder shall be entitled to have issued for its benefit a share certificate representing such number of fully-paid Class B Shares or Class C Shares, as the case may be, into which such Converted Class A Shares were converted pursuant to this Section 4.1. The Corporation shall deliver to the holders entitled thereto share certificates representing the Class B Shares or Class C Shares, as the case may be, resulting from the conversion of the Converted Class A Shares. The Corporation shall give full and complete effect to the foregoing within three days of delivery to it of the share certificate or certificates representing the Converted Class A Shares. The persons entitled to receive the Class B Shares or Class C Shares, as the case may be, issuable upon a conversion of Converted Class A Shares shall be treated for all purposes as the record holders of such Class B Shares or Class C Shares, as the case may be, on the date of delivery of the Notice of Forced Re-Conversion.

4.2 Anti-Dilution Adjustments

- (1) If and whenever at any time and from time to time the Corporation shall:
- (a) subdivide, re-divide or change its then outstanding Class A Shares into a greater number of Class A Shares;
 - (b) reduce, combine or consolidate or change its then outstanding Class A Shares into a lesser number of Class A Shares; or
 - (c) issue Class A Shares (or securities convertible into Class A Shares or exchangeable for such shares) to the holders of all or substantially all of its then outstanding Class A Shares by way of a stock dividend or other distribution,

(any of such events being hereinafter called a "Class A Share Reorganization"), then the number of issued and outstanding Class B Shares and the number of issued and outstanding Class C Shares shall simultaneously be adjusted by multiplying each of them by a fraction, of which:

- (i) the numerator shall be the total number of Class A Shares outstanding after the completion of such Class A Share Reorganization (but before giving effect to the issue of any Class A Shares issued after the record date for such Class A Share Reorganization otherwise than as part of such Class A Share Reorganization), including, in the case where securities exchangeable or convertible into Class A Shares are distributed, the number of Class A Shares that would have been outstanding had such securities been fully exchanged for or converted into Class A Shares on such record date (whether or not such securities are then fully exchangeable or convertible); and
 - (ii) the denominator shall be the total number of Class A Shares outstanding on such record date before giving effect to the Class A Share Reorganization.
- (d) Such adjustment shall be made successively whenever any event referred to in this Section 4.2 shall occur. In addition, the numbers of Class B Shares and Class C Shares, the redemption price of Class B Legacy Shares and Class C Legacy Shares and the Class C Liquidation Preference specified in these Articles shall simultaneously be deemed to have been adjusted in the same manner without the necessity of filing Articles of Amendment, including the numbers, prices and preferences specified in Sections 2.1(3), 2.3, 2.9, 3.4, 3.5 and 3.8.

- (2) If and whenever there is a capital reorganization of the Corporation not otherwise provided for in Section 4.2(1) or a consolidation, merger, arrangement or amalgamation (other than a short-form amalgamation with a wholly-owned subsidiary of the Corporation) of the Corporation with or into another body corporate (any such event being called a "Capital Reorganization"), all holders of Class B Shares and Class C Shares who have not exercised their right of conversion prior to the record date for such Capital Reorganization shall be entitled to receive and shall accept, upon the exercise of such right at any time after the record date for such Capital Reorganization, in lieu of the number of Class A Shares to which it was theretofore entitled upon conversion, the amount of cash or other property or the aggregate number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization that such holder would have been entitled to receive as a result of such Capital Reorganization if, on the record date, such holder had been the registered holder of the number of Class A Shares to which it was entitled upon conversion (assuming for such purpose that all of the Class B Shares and the Class C Shares were fully convertible on such date), subject to adjustment thereafter in accordance with Section 4.2(1). No such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the holders of Class B Shares and Class C Shares shall thereafter be entitled to receive such cash or other property, or the number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization.
- (3) Upon the occurrence of each adjustment or readjustment of set forth in Section 4.2(1) or 4.2(2) above, the Corporation shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each registered holder of Class B Shares and Class C Shares a certificate setting forth such adjustment and readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any registered holder of Class B Shares or Class C Shares, furnish or cause to be furnished to such registered holder a similar certificate setting forth (i) such adjustments and readjustments, and (ii) the number of Class A Shares or, as the case may be, other securities or property which then would be received upon the conversion of the Class B Shares and Class C Shares.
- (4) If the Corporation intends to fix a record date for any Class A Share Reorganization or Capital Reorganization, then the Corporation shall, not less than 15 days prior to such record date, notify each holder of Class B Shares and Class C Shares of such intention by written notice setting forth the particulars of such Class A Share Reorganization or Capital Reorganization in reasonable detail. The holders of Class B Shares and Class C Shares may waive the giving of any such notice by delivering to the Corporation a written notice to this effect.

- (5) In the event of a dispute regarding an adjustment or failure to make an adjustment pursuant to this Section 4.2, such dispute shall be referred to an independent auditor that is a member in good standing of the Canadian Public Accountability Board (or if the Canadian Public Accountability Board does not then exist, then the closest equivalent entity at such time) and the finding of such auditor shall be binding upon the Corporation and the holders of Class B Shares and Class C Shares. Alternatively, if the Corporation and the holders of at least 66 ⅔% of the outstanding Class B Shares and of at least 66 ⅔% of the Class C Shares agree, such dispute may be settled by the dispute resolution mechanism in the Conversion Agreement.

4.3 Special Approvals

In addition to any approval of shareholders required by the Act, the Corporation shall not amend its Articles (whether by merger, consolidation, amalgamation, reorganization, arrangement or otherwise) in a manner that would adversely affect the rights, privileges, restrictions or conditions of the Class B Shares or the Class C Shares, without the written consent of the holders of at least 66 ⅔% of the outstanding Class B Shares or Class C Shares, as the case may be.

4.4 No Fractional Shares

No fractional Class A Shares shall be issued upon any conversion of Class B Shares or Class C Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash to the holder in an amount (calculated to the nearest cent) equal to the appropriate fraction multiplied by the weighted average price of the Class A Shares applicable on the date of conversion and the fractional interest shall be deemed to have been purchased by the Corporation. For the purposes of these Articles, the "weighted average price of the Class A Shares applicable on the date of conversion" shall be determined by dividing (i) the aggregate dollar trading value of all Class A Shares sold on The Toronto Stock Exchange (or, if the Class A Shares do not then trade on The Toronto Stock Exchange, then on any similar exchange for publically traded securities on which the Class A Shares are then traded) over the five consecutive trading days ending on the third trading day next preceding the date of conversion by (ii) the total number of Class A Shares sold on such stock exchange during such period.

5. INTERPRETATION

5.1 Definitions

For purposes of this Schedule "A", the following terms have the following meanings:

- (1) "Act" means the *Business Corporations Act* (Ontario), as amended.

- (2) "Adjusted Earnings " means the adjusted earnings of the Corporation as defined in the Conversion Agreement, as the same may be amended from time-to-time pursuant to the terms of the Conversion Agreement.
- (3) "Adjusted Earnings Target" means the earnings targets of the Corporation established in the Conversion Agreement, as the same may be amended from time-to-time pursuant to the terms of the Conversion Agreement.
- (4) "Conversion Agreement" means the share conversion agreement dated on or about the date of these Articles between the Corporation and Prime Restaurants Holdings Inc. with respect to, among other matters, certain conditions upon which Class B Shares and Class C Shares may be converted into Class A Shares, as such agreement may be amended from time to time.
- (5) "Eligible Financial Year" means each of:
- (a) the approximately 12-month financial year of the Corporation to end on or about January 2, 2011 (the "2010 Financial Year");
 - (b) the approximately 12-month financial year of the Corporation to end on or about January 1, 2012 (the "2011 Financial Year");
 - (c) the approximately 12-month financial year of the Corporation to end on or about January 6, 2013 (the "2012 Financial Year");
 - (d) the approximately 12-month financial year of the Corporation to end on or about January 5, 2014 (the "2013 Financial Year"); and
 - (e) the approximately 12-month financial year of the Corporation to end on or about January 4, 2015 (the "2014 Financial Year"),

the whole being established on the basis that the financial year end of the Corporation shall be on the first Sunday of January in each year. If the financial year end of the Corporation is other than the first Sunday of January in each year, then the each Eligible Financial Year shall be deemed to be adjusted to match the applicable approximately 12-month financial year of the Corporation.

- (6) "Extraordinary Dividend or Distribution" means:
- (a) dividends paid on the Class A Shares in any financial year of the Corporation, whether in (x) cash, (y) shares of the Corporation, or (y) rights, options or warrants to purchase any shares, property or other assets of the Corporation (but excluding rights, options or warrants for which adjustments are made under Section 4.2), in each case to the extent that the amount or value of such dividends paid in such financial year in the aggregate exceeds \$1.12 per Class A Share.

- (b) any dividend declared and paid by the Corporation on the Class A Shares which the directors of the Corporation declare to be an extraordinary or special dividend.

If a financial year of the Corporation used as a reference in this definition is less than 12-months, then the amount used as a reference shall be adjusted to be the equivalent of what such amount would have been had the reference year been a 12-month financial year.

- (7) "Notice of Conversion" means a notice executed by a holder of Class B Shares or Class C Shares to be converted and by the Corporation to be delivered to the Corporation and the Transfer Agent, substantially in the form of Schedule "A" or a French-language version thereof.
- (8) "Permitted Transferee" means any person to whom a holder of Class B Shares or Class C Shares is permitted to transfer such shares pursuant to the Conversion Agreement.
- (9) "person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.
- (10) "Transfer Agent" means the transfer agent in respect of the Class A Shares.

5.2 Undefined Terms

All terms used in these Articles that are not defined in these Articles but are defined in the Act have the meanings ascribed thereto in the Act. Any provision of these Articles that may be read in a manner that is inconsistent with the Act shall be read so as to be consistent therewith.

5.3 Pro Rata

If less than all of Class B Shares or Class C Shares are to be converted or redeemed pursuant to these Articles and there is more than one registered holder of such class of shares, then each registered holder of such class of shares shall be entitled to, or required to, as the case may be, convert or redeem its class of shares *pro rata* with each other holder of such class of shares. Each holder's *pro rata* share of the Class B Shares or Class C Shares, as the case may be, to be converted or redeemed shall be equal to the proportion that the number of all shares of such class held by such holder at such time is to the aggregate of all shares of such class held by all holders at such time.

5.4 Calculation of Periods

Whenever payments are to be made, an action is to be taken or a notice is to be given in these Articles on or by a day which is not a Business Day, such payment shall be made, such action shall be taken or notice given on or not later than the next succeeding Business Day. "Business Day" means a day other than a Saturday, Sunday or a day on which the major commercial banks are not open for business in Toronto, Ontario. The word "day" in these Articles means a clear day and a period of days shall be deemed to commence the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a day other than a Business Day, then the period shall terminate at midnight of the day next following that is a Business Day.

5.5 Quorum

Notwithstanding anything to the contrary in the by-laws of the Corporation, a quorum of directors of the Corporation for the transaction of business shall be (i) a majority of the number of directors in office at the time, and (ii) until the Class B Nominated Director Termination Date, a majority of directors other than Class B Nominated Directors.

SCHEDULE A
Notice of Conversion

TO: The Transfer Agent of the Class A Limited Voting Shares of Prime Restaurants Inc.
(the "Corporation")

This notice is given pursuant to _____ of the Articles of the Corporation [and _____ of the Conversion Agreement (as defined in the Articles)]. All capitalized words and expressions used in this notice which are defined in the Articles have the meaning attributed to such words and expressions in such Articles.

The undersigned holder of Class B Shares/Class C Shares hereby notifies the Transfer Agent that it is converting _____ Class B Shares/Class C Shares into Class A shares on a [one-for-one] [one Class B Share for 0.8 Class A Shares] [one Class B Share-for-0.6 Class A Shares] [one Class A Share-for-0.5 Class A Shares] basis, effective at the time set forth in the Articles:

(Date)

(Signature of Shareholder)

(Guarantee of Signature)

Acknowledged and confirmed as of

PRIME RESTAURANTS INC.

Per: _____

Name:

Title:

- Please check box if the Class A Shares resulting from the conversion referred to herein are to be held for pick-up by the shareholder at the principal executive offices of the Corporation or at such other reasonable place as may be specified by the Board of Directors by notice to the holders of such shares, failing which the Class A Shares will be delivered to the shareholder in accordance with the Articles of the Corporation.

Name of person in whose name Class A Shares
are to be registered, issued or delivered
(PLEASE PRINT)

Street Address or P.O. Box

City, Province and Postal Code

Signature of Shareholder

Signature guaranteed by

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, BUSINESS
CORPORATIONS ACT, R.S.O. 1990, c. B.16, as amended
PRIME RESTAURANTS ROYALTY INCOME FUND, *et al.*
Applicants

Court File No.: CV-10-8598-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FINAL ORDER
(dated April 1, 2010)

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
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Lawyers for Prime Restaurants Royalty Income Fund, PRC
Trademarks Inc., and 2234567 Ontario Limited

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Retail Offices Branch

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RECORDED: 05/31/2012