

## ARRANGEMENT AGREEMENT

**THIS AGREEMENT** made as of the 23 day of June, 2020.

- AMONG:**           **2583262 ONTARIO INC.**, a company incorporated under the laws of the Province of Ontario (“**258**”)
- AND:**             **1246764 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**764**”)
- AND:**             **1246765 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**765**”)
- AND:**             **1246768 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**768**”)
- AND:**             **1246773 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**773**”)
- AND:**             **1246775 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**775**”)
- AND:**             **1246777 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**777**”)
- AND:**             **1246778 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**778**”)
- AND:**             **1246779 B.C. LTD.** a company incorporated under the laws of the Province of British Columbia (“**779**”)

**WHEREAS** the Parties wish to effect a reorganization transaction by way of a statutory plan of arrangement under the provisions of the *Business Corporations Act* (Ontario) on the terms and conditions set out in this Agreement and the Plan of Arrangement annexed hereto as Exhibit A;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the premises and the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties to the other Parties, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement the following terms have the following meanings, respectively:

“**258 Common Shares**” means the common shares in the authorized share structure of 258;

“**258 Shareholders**” means the holders of 258 Common Shares;

“**258 Subsidiaries**” means collectively, 764, 765, 768, 773, 775, 777, 778 and 779;

“**Agreement**” means this arrangement agreement entered into among the Parties as first referenced above, including Exhibit A hereto and all amendments made hereto;

“**764 Common Shares**” means the common shares in the authorized share structure of 764;

“**765 Common Shares**” means the common shares in the authorized share structure of 765;

“**768 Common Shares**” means the common shares in the authorized share structure of 768;

“**773 Common Shares**” means the common shares in the authorized share structure of 773;

“**775 Common Shares**” means the common shares in the authorized share structure of 775;

“**777 Common Shares**” means the common shares in the authorized share structure of 777;

“**778 Common Shares**” means the common shares in the authorized share structure of 778;

“**779 Common Shares**” means the common shares in the authorized share structure of 779;

“**Arrangement**” means an arrangement under the provisions of Section 182 of the OBCA, on the terms and conditions set forth in the Plan of Arrangement as amended or varied from time to time in accordance with the terms of this Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order;

“**Arrangement Filings**” means any records and information provided to the Director pursuant to the OBCA, together with a copy of the entered Final Order;

“**Arrangement Resolution**” means the special resolution of 258 Shareholders to be considered, and if deemed advisable, passed at the Meeting;

“**Authority**” means any: (i) multinational, federal, provincial, state, municipal, local or foreign governmental or public department, court, or commission, domestic or foreign; (ii) subdivision or authority of any of the foregoing; or (iii) quasi-governmental or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Business Day**” means a day which is not a Saturday, Sunday or a day when commercial banks are not open for in person business in Toronto, Ontario;

“**Circular**” means the management information circular of 258 containing among other things, disclosure in respect of the Arrangement and prospectus level disclosure in respect of the 258 Subsidiaries following completion of the Arrangement, together with all appendices, distributed by 258 to the 258 Shareholders in connection with the Meeting and filed with such Authorities in Canada as are required by Section 2.5(a)(ii) of this Agreement, or otherwise as required by applicable Law;

“**Court**” means the Superior Court of Ontario;

“**Director**” means the Director for the Province of Ontario duly appointed under the OBCA;

“**Dissent Right**” has the meaning attributed to that term in Section 5.1 in the Plan of Arrangement;

“**Effective Date**” means the first Business Day after the date upon which the Parties have confirmed in writing (such confirmation not to be unreasonably withheld or delayed) that all conditions to the completion of the Plan of Arrangement have been satisfied or waived in accordance with Article 5 of the Arrangement Agreement and all documents and instruments required under the Arrangement Agreement, the Plan of Arrangement and the Final Order have been delivered;

“**Effective Time**” means 12:01 a.m., on the Effective Date;

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, prior claim, adverse claim, exception, reservation, restrictive covenant, agreement, easement, lease, licence, right of occupation, option, right of use, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title or any contract to create any of the foregoing;

“**Final Order**” means the order made after application to the Court pursuant to Section 182 of the OBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal;

“**Interim Order**” means the order made after application to the Court pursuant to Section 182 of the OBCA providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

“**Meeting**” means the special meeting of 258 Shareholders to be held on July 2, 2020 and any adjournment(s) or postponement(s) thereof, to be called to consider, and if deemed advisable, approve, among other matters, the Arrangement Resolution;

“**Laws**” means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Authority, to the extent each of the foregoing have the force of law, and the term “applicable” with respect to such laws and in a context that refers to one or more Parties, means such laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Parties**” means, collectively, 258 and each of the 258 Subsidiaries, and “**Party**” means any one of them;

“**Plan of Arrangement**” means the plan of arrangement set out as Exhibit A hereto as the same may be amended from time to time in accordance with the terms thereof and hereof;

“**Representative**” means any director, officer, employee, agent, advisor or consultant of any Party;

“**Section 3(a)(10) Exemption**” has the meaning ascribed thereto in Section 2.7;

“**Securities Act**” means the *Securities Act* (Ontario);

“**Securities Legislation**” means the Securities Act and the equivalent law in the other applicable provinces and territories of Canada, and the published policies, instruments, rules, judgments, orders and decisions of any Authority administering those statutes;

“**Tax Act**” means the *Income Tax Act* (Canada); and

“**U.S. Securities Act**” means the United States Securities Act of 1933.

## **1.2 Exhibits**

Exhibit A - Plan of Arrangement

## **1.3 Construction**

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Agreement and not to any particular Article, Section, Subsection or Exhibit;
- (b) references to an “Article”, “Section”, “Subsection” or “Exhibit” are references to an Article, Section, Subsection or Exhibit of or to this Agreement;
- (c) words importing the singular shall include the plural and *vice versa*, words importing gender shall include the masculine, feminine and neuter genders, and references to a “person” or “persons” shall include individuals, corporations, partnerships, associations, trusts, bodies politic and other entities, all as may be applicable in the context;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under International Financial Reporting Standards and all determinations of an accounting nature shall be made in a manner consistent with International Financial Reporting Standards; and
- (g) a reference to a statute or code includes every rule and regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code, rule or regulation.

## **1.4 Currency**

Except where otherwise specified, all references to currency herein are to lawful money of Canada and “\$” refers to Canadian dollars.

### **1.5 Date for Any Action; Computation of Time**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, then such action will be required to be taken on the next succeeding day which is a Business Day. A period of time is to be computed as beginning on the day following the event that began the period and ending, if the last day of the period is (i) a Business Day, then at 4:30 pm (Toronto Time) on the last day of the period; and (ii) is not a Business Day, then at 4:30 pm (Toronto Time) on the next Business Day.

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Arrangement**

- (a) 258 and the 258 Subsidiaries agree to effect the Arrangement pursuant to the provisions of Section 182 of the OBCA on the terms and subject to the conditions contained in this Agreement and on the terms set forth in the Plan of Arrangement (as amended or varied from time to time).
- (b) The Arrangement shall become effective on the Effective Date and the steps to be carried out pursuant to the Plan of Arrangement will become effective commencing at the Effective Time immediately after one another in the sequence set out therein or as otherwise specified in the Plan of Arrangement.

### **2.2 Commitment to Effect Arrangement**

Subject to the satisfaction of the terms and conditions contained in this Agreement, 258 and the 258 Subsidiaries shall each use their commercially reasonable efforts to do all things reasonably required to cause the Arrangement to become effective as soon as reasonably practicable and to cause the transactions contemplated by the Plan of Arrangement and this Agreement to be completed in accordance with their terms, including by making the Arrangement Filings at the appropriate time and in the appropriate order.

### **2.3 Implementation Steps**

- (a) 258 covenants and agrees that, subject to the terms of this Agreement, it will promptly:
  - (i) make an application for a hearing before the Court pursuant to Section 182 of the OBCA, seeking the Interim Order;
  - (ii) proceed with such application and diligently pursue obtaining the Interim Order;
  - (iii) as the sole shareholder of each of the 258 Subsidiaries, approve the Arrangement by consent resolution of each 258 Subsidiary;
  - (iv) lawfully convene and hold the Meeting in accordance with the Interim Order, 258's articles and applicable Laws, as soon as reasonably practicable after the Interim Order is issued, for the purpose of having the 258 Shareholders consider the Arrangement Resolution;
  - (v) take all other actions that are reasonably necessary or desirable to obtain the approval of the Arrangement by the 258 Shareholders;

- (vi) subject to obtaining such approvals as are required by the Interim Order, as soon as reasonably practicable after the Meeting, make an application to the Court pursuant to Section 182 of the OBCA for the Final Order;
  - (vii) proceed with such application and diligently pursue obtaining the Final Order; and
  - (viii) subject to: (i) obtaining the Final Order; and (ii) the satisfaction or waiver (subject to applicable Laws) of each of the conditions set forth in Article 5 (excluding conditions that by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction, or when permitted, waiver of those conditions as of the Effective Date), as soon as reasonably practicable thereafter, take all steps necessary or desirable to give effect to the Arrangement, including filing the Arrangement Filings with the Director by such times and in such order as is necessary to effect the Plan of Arrangement in accordance with its terms.
- (b) The 258 Subsidiaries covenant and agree that, subject to the terms of this Agreement, each shall promptly:
- (i) cooperate and assist 258 in seeking the Interim Order and the Final Order; and
  - (ii) subject to: (i) obtaining the Final Order; and (ii) the satisfaction or waiver (subject to applicable Laws) of each of the conditions set forth in Article 5 (excluding conditions that by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction, or when permitted, waiver of those conditions as of the Effective Date), as soon as reasonably practicable thereafter, take all steps and actions necessary or desirable to give effect to the Arrangement.

#### **2.4 Interim Order**

The application referred to in Section 2.3(a)(i) shall, unless 258 and the 258 Subsidiaries agree otherwise, include a request that the Interim Order provide, among other things:

- (a) that the securities of 258 for which holders shall be entitled to vote on the Arrangement Resolution at the Meeting shall be the 258 Common Shares;
- (b) for a record date, for the purposes of determining the 258 Shareholders entitled to receive notice of and vote at the Meeting, of July 2, 2020;
- (c) that the Meeting may be adjourned or postponed from time to time by 258 without the need for additional approval by the Court;
- (d) that, except as required by Law or subsequently ordered by the Court, the record date, for the 258 Shareholders entitled to receive notice of and to vote at the Meeting will not change in respect of or as a consequence of any adjournment or postponement of the Meeting;
- (e) the 258 Shareholders shall be entitled to vote on the Arrangement Resolution, with each 258 Shareholder being entitled to one vote for each 258 Common Share held by such holder, such vote to be conducted by ballot;
- (f) the requisite majority for the approval of the Arrangement Resolution shall be two-thirds of the votes cast by the 258 Shareholders present in person or by proxy at the Meeting;

- (g) that, provided the 258 Shareholders have agreed to waive the 21 day notice requirement set forth in the OBCA and National Instrument 54-101, the notice of the Meeting and the Circular may be sent to the 258 Shareholders less than 21 days before the date of the Meeting;
- (h) that in all other respects, the terms, conditions and restrictions of 258's constating documents, including quorum requirements with respect to meeting of 258 Shareholders and other matters, shall apply with respect to the Meeting;
- (i) for the grant of the Dissent Rights to the 258 Shareholders who are registered holders of 258 Common Shares, as set forth in the Plan of Arrangement; and
- (j) for the notice requirements with respect to the presentation of the application to the Court for the Final Order.

## **2.5 Information Circular and Meetings**

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and applicable Laws:

- (a) 258 shall:
  - (i) prepare the Circular together with any other documents required by the OBCA or any other applicable Laws in connection with the approval of the Arrangement Resolution by the 258 Shareholders at the Meeting; and
  - (ii) subject to the Interim Order, cause the notice of the Meeting and the Circular to be: (A) sent to the 258 Shareholders in compliance with the OBCA, 258's articles and the abridged timing requirements contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*; and (B) filed with one or more Authorities as required by the Interim Order and applicable Laws, including on the System for Electronic Document and Retrieval (SEDAR) for the benefit of the public and the Canadian securities regulatory authorities, pursuant to and in accordance with the Interim Order and applicable Securities Legislation.
- (b) The 258 Subsidiaries shall cooperate in the preparation, filing and mailing of the Circular.
- (c) 258 and the 258 Subsidiaries shall cooperate with each other in the preparation, filing and dissemination of any: (i) required supplement or amendment to the Circular or such other document, as the case may be; and (ii) related news release or other document necessary or desirable in connection therewith.

## **2.6 Withholding Taxes**

- (a) 258 and the 258 Subsidiaries, as the case may be, will be entitled to deduct and withhold from any consideration otherwise payable to any 258 Shareholder under the Plan of Arrangement (including any payment to 258 Shareholders exercising Dissent Rights) such amounts as 258 or the 258 Subsidiaries are permitted or required to deduct and withhold with respect to such payment under the Tax Act and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax Law

as counsel may advise is permitted or required to be so deducted and withheld by 258 or the 258 Subsidiaries, as the case may be.

- (b) For the purposes of such deduction and withholding: (i) all withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder; and (ii) such deducted or withheld amounts shall be remitted to the appropriate Authority in the time and manner permitted or required by the applicable Law by or on behalf of 258 or the 258 Subsidiaries, as the case may be.

## **2.7 U.S. Securities Law Matters**

The Parties agree that the Arrangement will be carried out with the intention that all securities of 258 and the 258 Subsidiaries to be issued pursuant to the Arrangement will be issued and exchanged in accordance with the Plan of Arrangement in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof (the “**Section 3(a)(10) Exemption**”). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption based on the Court's approval of the Arrangement prior to the hearing of the Court required to approve the Arrangement;
- (c) the Court will be invited to satisfy itself and find, prior to approving the Arrangement, that the Arrangement is fair and reasonable, both procedurally and substantively, to the security holders of 258;
- (d) the Parties will ensure that each securityholder of 258 entitled to receive securities pursuant to the Arrangement will be given adequate notice advising such securityholder of 258 of his, her or its right to attend the hearing of the Court and provide each with sufficient information necessary for him or her to exercise that right;
- (e) the Interim Order will specify that each securityholder of 258 will have the right to appear before the Court so long as they enter an appearance within a reasonable time; and
- (f) the Final Order shall include statements substantially to the following effect:

“The terms and conditions of the Plan of Arrangement are procedurally and substantially fair to the securityholders of 258 and are hereby approved by the Court. This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the issuance of securities pursuant to the Plan of Arrangement”.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES**

**3.1 Mutual Representations and Warranties of 258 and the 258 Subsidiaries**

258 and each of the 258 Subsidiaries represents and warrants to each other Party as follows and acknowledges that the other Parties are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating documents; (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or (iii) any agreement or instrument to which it is a party or by which it is bound;
- (c) subject to Court proceedings related to the Interim Order and the Final Order, there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting it, at law or in equity, before or by any Authority nor are there any existing facts or conditions which may reasonably be expected to form a proper basis for any actions, suits, proceedings or investigations, which, in any case, would prevent or hinder the consummation of the transactions contemplated by this Agreement;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of it; and
- (e) subject to receipt of the 258 Shareholders approval of the Arrangement and receipt of the Final Order, it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it.

**3.2 Representations and Warranties of 258**

258 represents and warrants to and in favour of each of the 258 Subsidiaries as follows, and acknowledges that the 258 Subsidiaries are relying on such representations and warranties in connection with the matters contemplated in this Agreement:

- (a) the authorized share structure of 258 consists of: (i) an unlimited number of 258 Common Shares, of which thirty (30) 258 Common Shares are issued and outstanding as of the date of this Agreement as fully-paid and non-assessable; and (ii) an unlimited number of preferred shares, issuable in series, of which no preferred shares of 258 are issued and outstanding as of the date of this Agreement;
- (b) at the date hereof, no Person holds any securities convertible into 258 Common Shares or has any agreement, warrant, option or other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any issued or unissued 258 Common Shares; and

- (c) 258 owns all of the issued and outstanding securities of each of the 258 Subsidiaries beneficially and of record and upon completion of the Arrangement, the 258 Shareholders shall have good and marketable title (subject to applicable law) to such securities (as they exist immediately following closing of the Arrangement), free and clear of all Encumbrances.

### **3.3 Representations and Warranties of 258 Subsidiaries**

Each of the 258 Subsidiaries represents and warrants to and in favour of 258 as follows, and acknowledges that 258 is relying on such representations and warranties in connection with the matters contemplated in this Agreement:

- (a) the authorized share structure of each 258 Subsidiary consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which 3,000,000 Common Shares are issued and outstanding as of the date of this Agreement as fully-paid and non-assessable;
- (b) at the date hereof, no person holds any securities convertible into common shares of a 258 Subsidiary or any other securities of a 258 Subsidiary, or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued common shares of a 258 Subsidiary.

### **3.4 Survival of Representations and Warranties**

The representations and warranties of each of the Parties contained herein will not survive the completion of this Arrangement and will expire and be terminated on the earlier of: (i) the termination of this Agreement in accordance with its terms; and (ii) the Effective Time.

## **ARTICLE 4 COVENANTS**

### **4.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, 258 and each of the 258 Subsidiaries will use their respective commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to their respective obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable Laws to complete the Arrangement, including using commercially reasonable efforts:

- (a) to cause the Plan of Arrangement to become effective on or before July 31, 2020;
- (b) to perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement;
- (c) to cause each of the conditions precedent set forth in Article 5, which are within its control, to be satisfied on or prior to July 31, 2020;
- (d) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

- (e) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (f) to effect all necessary registrations and filings and submissions of information requested by Authorities required to be effected by it in connection with the Arrangement.

#### **4.2 Indemnification**

Each Party covenants and agrees to indemnify and save harmless the other Party from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which such Party or any of its Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

- (a) any misrepresentation or alleged misrepresentation in any information included in the Circular that is provided by the other Party for the purpose of inclusion in the Circular; and
- (b) any order made, or any inquiry, investigation or proceeding pursuant to any Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by the other Party for the purpose of inclusion in the Circular.

#### **4.3 Covenants of 258**

258 hereby covenants and agrees with each of the 258 Subsidiaries that it will:

- (a) until the earlier of: (i) the Effective Date; and (ii) the termination of this Agreement, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;
- (b) apply to the Court for the Interim Order;
- (c) solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare, as soon as practicable, the Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable Laws, and, subject to receipt of the Interim Order, convene the Meeting as ordered by the Interim Order and conduct the Meeting in accordance with the Interim Order and as otherwise required by applicable Laws;
- (d) in a timely and expeditious manner, file the Circular in all jurisdictions where the same is required to be filed by it and mail the same to 258 Shareholders, all pursuant to and in accordance with the Interim Order and applicable Laws;
- (e) ensure that the information set forth in the Circular relating to 258 and the 258 Subsidiaries, and their respective businesses and properties and the effect of the Plan of Arrangement thereon will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;

- (f) not, without limiting the generality of any of the foregoing covenants, until the Effective Date, except as required to effect the Plan of Arrangement or with the consent of the 258 Subsidiaries:
  - (i) issue any additional 258 Common Shares or other securities of 258 except in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement;
  - (ii) issue or enter into any agreement or agreements to issue or grant options, warrants or other rights to purchase or otherwise acquire any 258 Common Shares or other securities of 258; or
  - (iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder;
- (g) prior to the Effective Date, make application to the applicable regulatory authorities for such orders under applicable Laws as may be necessary or desirable in connection with the Plan of Arrangement; and
- (h) perform the obligations required to be performed by it under this Agreement (including the Plan of Arrangement) and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Arrangement, including using commercially reasonable efforts to obtain:
  - (i) the approval of the Arrangement Resolution;
  - (ii) the Interim Order and, subject to the obtaining of all required consents, orders, rulings and approvals (including required approval of the Arrangement Resolution by the 258 Shareholders), the Final Order;
  - (iii) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Article 5; and
  - (iv) satisfaction of the conditions precedent referred to in Article 5.

#### **4.4 Covenants of 258 Subsidiaries**

Each 258 Subsidiary hereby covenants and agrees with 258 that it will:

- (a) until the earlier of (i) Effective Date; and (ii) the termination of this Agreement, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement;
- (b) cooperate with and support 258 in its application for the Interim Order and preparation of the Circular;
- (c) not, without limiting the generality of any of the foregoing covenants, until the Effective Date, except as required to effect the Plan of Arrangement or with the consent of 258:

- (i) issue any additional securities other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement;
  - (ii) issue or enter into any agreement or agreements to issue or grant options, warrants or other rights to purchase or otherwise acquire any securities; or
  - (iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder; and
- (d) perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including using commercially reasonable efforts to obtain:
- (i) such consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Article 5; and
  - (ii) satisfaction of the conditions precedent referred to in Article 5.

#### **4.5 Interim Order**

As soon as practicable after the date hereof, 258 shall apply to the Court for the Interim Order providing for, among other things, the calling and holding of the Meeting.

#### **4.6 Final Order**

If the Interim Order and all securityholder approvals required in respect of the Plan of Arrangement are obtained, 258 shall promptly thereafter take the necessary steps to submit the Plan of Arrangement and the final Circular to the Court and apply for the Final Order in such fashion as the Court may direct, and as soon as practicable following receipt of the Final Order, and subject to the satisfaction or waiver of the other conditions provided for in Article 5 hereof, the Parties shall complete the Plan of Arrangement on the Effective Date in accordance with the terms thereof and pursuant to the Final Order.

### **ARTICLE 5 CONDITIONS**

#### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to complete the transactions contemplated by this Agreement and otherwise to give effect to the Plan of Arrangement shall be subject to the satisfaction, or mutual waiver in writing, of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to 258 and each of the 258 Subsidiaries, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to any of the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the required number of votes cast by 258 Shareholders at the Meeting in accordance with the Interim Order and, subject to

the Interim Order, the constating documents of 258, applicable Laws and the requirements of any applicable regulatory authorities;

- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the shareholders of each of the 258 Subsidiaries to the extent required by, and in accordance with applicable Laws and the constating documents of each of the 258 Subsidiaries;
- (d) the Final Order shall have been obtained in form and substance satisfactory to all Parties, each acting reasonably, not later than July 31, 2020 or such later date as the Parties may agree to in writing;
- (e) the Arrangement Filings shall be in a form and substance satisfactory to 258 and the 258 Subsidiaries (each acting reasonably);
- (f) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Authorities having jurisdiction in the circumstances, each in a form acceptable to 258 and the 258 Subsidiaries (each acting reasonably);
- (g) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan of Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;
- (h) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Plan of Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties, acting reasonably;
- (i) no Laws, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Plan of Arrangement, including any material change to the income tax Laws of Canada, which would have a material adverse effect upon 258 Shareholders if the Plan of Arrangement is completed;
- (j) no material fact or circumstance, including the fair market value of the shares of the 258 Subsidiaries, shall have changed in a manner which would have a material adverse effect upon 258 or the 258 Shareholders if the Plan of Arrangement is completed;
- (k) the issuance of the securities under the Plan of Arrangement shall be exempt from registration under the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption;
- (l) this Agreement shall not have been terminated under Article 6; and
- (m) no more than 5% of 258 Shareholders, in the aggregate, shall have exercised their Dissent Rights.

## **5.2 Additional Conditions to Obligations of Each Party**

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by such Party without prejudice to its right to rely on any other condition in its favour, that the covenants of the other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and that the representations and warranties of the other Party shall be true and correct in all material respects as at the Effective Date (except for representations and warranties made as of the specified date, the accuracy of which shall be determined as at that specified date), with the same effect as if such representations and warranties had been made at, and as of, such time and each such Party shall receive a certificate, dated the Effective Date, of a senior officer of each other Party confirming the same.

## **5.3 Merger of Conditions**

The conditions set out in Article 5 shall be conclusively deemed to have been satisfied, waived or released on the Arrangement becoming effective.

# **ARTICLE 6 AMENDMENT AND TERMINATION**

## **6.1 Amendment and Waiver**

This Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Effective Date, be amended by the written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) waive compliance with or modify any of the covenants contained herein or waive or modify performance of any of the obligations of the Parties or satisfaction of any of the conditions precedent set forth in Article 5 of this Agreement;
- (b) waive any inaccuracies or modify any representation contained herein or in any document to be delivered pursuant hereto;
- (c) change the time for performance of any of the obligations, covenants or other acts of the Parties; or
- (d) make such alterations in this Agreement as the Parties may consider necessary or desirable in connection with the Interim Order or otherwise.

## **6.2 Termination**

The parties agree that:

- (a) if any condition contained in Article 5 is not satisfied at or before the Outside Date to the satisfaction of each Party, then such Party may, by notice to the other Parties hereto terminate this Agreement and the obligations of the Parties hereunder (except as otherwise herein provided) but without detracting from the rights of such Party arising from any breach by any other Party but for which the condition would have been satisfied;
- (b) this Agreement may:

- (i) be terminated by the mutual agreement of the Parties hereto;
- (ii) be terminated by any Party hereto if there shall be passed any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited;
- (iii) be terminated by any Party if the approval of the 258 Shareholders shall not have been obtained by reason of the failure to obtain the required vote on the Arrangement Resolutions at the Meeting,

in each case, at any time prior to the earlier of: (i) the Effective Date; and (ii) the Outside Date, by written notice to all other parties;

- (c) if the Effective Date does not occur on or prior to the Outside Date, then this Agreement shall automatically terminate without any further action of the parties hereto; and
- (d) if this Agreement is terminated in accordance with the foregoing provisions of this Section 6.2, no party shall have any further liability to perform its obligations hereunder except as specifically contemplated hereby.

## **ARTICLE 7 NOTICES**

### **7.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or by registered mail in the case of:

2583262 Ontario Inc., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246764 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246765 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246768 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246773 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3

Attention: Chief Executive Officer

1246775 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246777 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246778 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

1246779 B.C. Ltd., addressed to:  
650, 1021 West Hastings Street  
Vancouver, British Columbia V6E 0C3  
Attention: Chief Executive Officer

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery.

## **ARTICLE 8 GENERAL**

### **8.1 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule, Law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

### **8.2 Enurement**

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns from time to time.

### **8.3 Assignment**

This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

#### **8.4 Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Each Party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Ontario, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgement of those courts.

#### **8.5 Time of Essence**

Time is of the essence in respect of this Agreement.

#### **8.6 Entire Agreement**

This Agreement, the Plan of Arrangement and the other agreements contemplated hereby and thereby constitute the entire agreement between the Parties pertaining to the subject matter hereof. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter, except as specifically set forth or referred to in this Agreement or as otherwise set out in writing and delivered at the completion of the Arrangement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent aforesaid.

#### **8.7 Expenses**

The Parties agree that each Party shall bear their own expenses in connection with the transactions contemplated hereby including, without limitation, all legal fees, accounting fees, financial advisory fees, regulatory filing fees, all disbursements of advisors and printing and mailing costs.

#### **8.8 Further Assurances**

Each of the Parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may reasonably be within its power to implement to their full extent the provisions of this Agreement.

#### **8.9 Language**

The Parties to this Agreement confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. *Les Parties reconnaissent leur volonté expresse que la présente Entente ainsi que tous les documents et commis s'y rattachant directement ou indirectement soient rédigés en anglais.*

*[Remainder of Page Intentionally Left Blank – Signature Page Follows]*

**8.10 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be original and all of which taken together will be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

**2583262 ONTARIO INC.**

**1246764 B.C. LTD.**

By: “James Ward”

**James Ward**  
Chief Executive Officer

By: “James Ward”

**James Ward**  
Chief Executive Officer

**1246765 B.C. LTD.**

**1246768 B.C. LTD.**

By: “James Ward”

**James Ward**  
Chief Executive Officer

By: “James Ward”

**James Ward**  
Chief Executive Officer

**1246773 B.C. LTD.**

**1246775 B.C. LTD.**

By: “James Ward”

**James Ward**  
Chief Executive Officer

By: “James Ward”

**James Ward**  
Chief Executive Officer

**1246777 B.C. LTD.**

**1246778 B.C. LTD.**

By: “James Ward”

**James Ward**  
Chief Executive Officer

By: “James Ward”

**James Ward**  
Chief Executive Officer

**1246779 B.C. LTD.**

By: “James Ward”

**James Ward**  
Chief Executive Officer

**PLAN OF ARRANGEMENT  
UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set forth below:

“**258**” means 2583262 Ontario Inc., a company incorporated under the laws of the Province of Ontario;

“**258 Common Shares**” means the common shares in the authorized share structure of 258;

“**258 New Common Share**” has the meaning attributed to that term in Section 3.1(b)(ii) of this Plan of Arrangement;

“**258 Shareholders**” means the holders of 258 Common Shares;

“**258 Subsidiaries**” means collectively, 764, 765, 768, 773, 775, 777, 778 and 779;

“**Arrangement Agreement**” means the agreement dated June 23, 2020 among 258 and the 258 Subsidiaries to which this Plan of Arrangement is attached as **Error! Reference source not found.**, as it may be supplemented or amended from time to time;

“**Arrangement Resolution**” means the special resolution of 258 Shareholders to be considered, and if deemed advisable, passed at the Meeting;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**764**” means 1246764 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**764 Common Shares**” means the common shares in the authorized share structure of 764;

“**765**” means 1246765 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**765 Common Shares**” means the common shares in the authorized share structure of 765;

“**768**” means 1246768 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**768 Common Shares**” means the common shares in the authorized share structure of 768;

“**773**” means 1246773 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**773 Common Shares**” means the common shares in the authorized share structure of 773;

“**775**” means 1246775 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**775 Common Shares**” means the common shares in the authorized share structure of 775;

“**777**” means 1246777 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**777 Common Shares**” means the common shares in the authorized share structure of 777;

“**778**” means 1246778 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**778 Common Shares**” means the common shares in the authorized share structure of 778;

“**779**” means 1246779 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia;

“**779 Common Shares**” means the common shares in the authorized share structure of 779;

“**Business Day**” means a day which is not a Saturday, Sunday, or a day when commercial banks are not open for in person business in Toronto, Ontario;

“**Certificate of Arrangement**” means the certificate to be endorsed by the Director pursuant to section 183(2) of the OBCA giving effect to the Arrangement;

“**Circular**” means the management information circular of 258 containing among other things, disclosure in respect of the Arrangement and prospectus level disclosure in respect of the 258 Subsidiaries following completion of the Arrangement, together with all appendices, distributed by 258 to the 258 Shareholders in connection with the Meeting and filed with such Authorities in Canada as are required by Section **Error! Reference source not found.** of the Arrangement Agreement, or otherwise as required by applicable Law;

“**Conversion Factor**” means 100,000.00;

“**Court**” means the Superior Court of Ontario;

“**Consideration**” means the consideration payable by 258 pursuant to Section 3.1 of this Plan of Arrangement to a person who is, immediately before the Effective Time, a 258 Shareholder;

“**Depository**” means TSX Equity Trust or such other person that may be appointed by 258 for the purpose of receiving deposits of certificates formerly representing 258 Common Shares;

“**Director**” means the Director appointed under section 278 of the OBCA;

“**Dissent Procedures**” has the meaning attributed to that term in Section 5.2 of this Plan of Arrangement;

“**Dissent Right**” has the meaning attributed to that term in Section 5.1 of this Plan of Arrangement;

“**Dissent Share**” has the meaning attributed to that term in Subsection 3.1(a) of this Plan of Arrangement;

“**Effective Date**” means the date that the Arrangement is effective under the OBCA as endorsed by the certificate of arrangement issued pursuant to section 183(2) of the OBCA;

“**Effective Time**” means 12:01 a.m. on the Effective Date as endorsed by the Certificate of Arrangement;

“**Final Order**” means the order made after application to the Court pursuant to section 182 of the OBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal;

“**Interim Order**” means the order made after application to the Court pursuant to section 182 of the OBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

“**Letter of Transmittal**” means the Letter of Transmittal enclosed with the Circular sent in connection with the Meeting pursuant to which, among other things, registered 258 Shareholders are required to deliver certificates representing 258 Common Shares in order to receive the Consideration to which they are entitled;

“**Meeting**” means the special meeting of 258 Shareholders scheduled to be held on July 2, 2020 and any adjournment(s) or postponement(s) thereof, to be called to consider, and if deemed advisable, approve the Arrangement Resolution;

“**Parties**” means 258 and each of the 258 Subsidiaries and “**Party**” means any one of them;

“**Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions mean this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof and the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order;

“**Round Down Provision**” has the meaning attributed to that term in of Section 3.2 of this Plan of Arrangement;

“**Share Exchange**” has the meaning attributed to that term in Subsection 3.1(c) of this Plan of Arrangement; and

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

## **1.2 Number, Gender and Persons**

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and *vice versa*, words importing the use of either gender include both genders and neuter and the word person and words importing persons include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

## **1.3 Interpretation Not Affected by Headings**

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “**this Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

#### **1.4 Date for Any Action**

If the date on which any action is required to be taken hereunder is not a Business Day, the action shall be required to be taken on the next day that is a Business Day.

#### **1.5 Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Toronto, Ontario unless otherwise stipulated herein.

#### **1.6 Currency**

Unless otherwise stated, a reference herein to an amount of money means the amount expressed in lawful money of Canada.

#### **1.7 Statutory References**

Any reference in this Plan of Arrangement to a statute includes all regulations and rules made thereunder, all amendments to such statute, rule or regulation in force from time to time and any statute, rule or regulation that supplements or supersedes such statute or regulation.

#### **1.8 Governing Law**

This Plan of Arrangement, including its validity, interpretation and effect, shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

### **ARTICLE 2 ARRANGEMENT AGREEMENT AND EFFECT OF ARRANGEMENT**

#### **2.1 Arrangement Agreement**

The Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except that the sequence of steps comprising the Arrangement shall occur in the order set forth herein unless otherwise indicated.

#### **2.2 Effect of Plan of Arrangement**

The Plan of Arrangement will, effective at the Effective Time, become effective and be binding on (i) 258; (ii) each of the 258 Subsidiaries; and (iii) the 258 Shareholders, without any further act or formality required on the part of any person except as expressly provided herein. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.

## ARTICLE 3 ARRANGEMENT

### 3.1 Arrangement

Commencing at the Effective Time the following transactions will occur and be deemed to occur in the following sequence without further act or formality:

- (a) Each 258 Common Share in respect of which a registered 258 Shareholder has exercised Dissent Rights and for which the registered 258 Shareholder is ultimately entitled to be paid fair value (each a “**Dissent Share**”) shall be repurchased by 258 for cancellation in consideration for a debt-claim against 258 to be paid the fair value of such Dissent Share in accordance with Article 5 of this Plan of Arrangement and such Dissent Share shall thereupon be cancelled;
- (b) The authorized share structure of 258 shall be reorganized and altered by:
  - (i) changing the identifying name of the issued and unissued 258 Common Shares from “Common Shares” to “Class A Common shares” and amending the rights, privileges, restrictions and conditions attaching to those shares to provide the holders thereof with two votes in respect of each share held; and
  - (ii) creating a new class of shares without par value, with no maximum number and with the identifying name “Class B Common shares” having the rights, privileges, restrictions and conditions identical to those attached to the 258 Common Shares prior to the amendments described in Section 3.1(b)(i) above (the “**258 New Common Shares**”);
- (c) 258 shall reorganize its capital within the meaning of Section 86 of the Tax Act such that each 258 Shareholder shall dispose of all of the 258 Shareholder's 258 Common Shares to 258 and in consideration therefor, 258 shall issue (in respect of the securities referred to in (i) below) or distribute (in respect of the securities referred to in (ii) through (viii) below) to the 258 Shareholder:
  - (i) the same number of 258 New Common Shares;
  - (ii) the number of 764 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;
  - (iii) the number of 765 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;
  - (iv) the number of 768 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;
  - (v) the number of 773 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;
  - (vi) the number of 775 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;

- (vii) the number of 777 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;
- (viii) the number of 778 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor; and
- (ix) the number of 779 Common Shares equal to the product of the number of 258 Common Shares held and the Conversion Factor;

(collectively, the “**Share Exchange**”), and, in connection with the Share Exchange:

- (A) the name of each 258 Shareholder shall be removed from the central securities register for the 258 Common Shares and added to the central securities register for the 258 New Common Shares, the 764 Common Shares, the 765 Common Shares, the 768 Common Shares, the 773 Common Shares, the 775 Common Shares, the 777 Common Shares, the 778 Common Shares and the 779 Common Shares as the holder of the number of 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares and 779 Common Shares respectively, received pursuant to the Share Exchange;
  - (B) the 258 Common Shares shall be cancelled and the capital in respect of such shares shall be reduced to nil;
  - (C) an amount equal to the capital of the 258 Common Shares immediately before the Share Exchange less the aggregate fair market value of the 764 Common Shares, the 765 Common Shares, the 768 Common Shares, the 773 Common Shares, the 775 Common Shares, the 777 Common Shares, the 778 Common Shares and the 779 Common Shares, distributed on the Share Exchange shall be added to the capital in respect of the 258 New Common Shares; and
- (d) All securities of the 258 Subsidiaries held by 258 shall be cancelled for no consideration; and
  - (e) The authorized share structure of 258 shall be reorganized and altered by
    - (i) eliminating the 258 Common Shares from the authorized share structure of 258; and
    - (ii) changing the identifying name of the issued and unissued 258 New Common Shares from “Class B Common shares” to “Common shares”.

### **3.2 No Fractional Shares**

No fractional 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares shall be distributed by 258 to a 258 Shareholder on the Share Exchange. If 258 would otherwise be required to distribute to a 258 Shareholder an aggregate number of 258 New Common Shares 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777

Common Shares, 778 Common Shares or 779 Common Shares, as applicable, that is not a round number, then the number of 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares distributable to that 258 Shareholder shall be rounded down to the next lesser whole number (the “**Round Down Provision**”) and that 258 Shareholder shall not receive any compensation in respect thereof. Notwithstanding the foregoing, if the Round Down Provision would otherwise result in the number of 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares, as applicable, distributable to a particular 258 Shareholder being rounded down from one to nil, then the Round Down Provision shall not apply and 258 shall distribute one 258 New Common Share, one 764 Common Share, one 765 Common Shares, one 768 Common Shares, one 773 Common Share, one 775 Common Share, one 777 Common Shares, one 778 Common Share or one 779 Common Share, as applicable, to that 258 Shareholder.

### **3.3 Extinction of Rights**

Any instrument or certificate which immediately prior to the Effective Time represented outstanding 258 Common Shares that were exchanged pursuant to Section 3.1 or an affidavit of loss and bond or other indemnity pursuant to Section 4.2, shall, on or prior to the sixth (6th) anniversary of the Effective Date, cease to represent a claim or interest of any kind or nature against 258. On such date, the aggregate 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares and 779 Common Shares, as applicable, to which the former 258 Shareholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to 258, and shall be returned to 258 by the Depositary. None of 258, the 258 Subsidiaries or the Depositary shall be liable to any person in respect of any amount for 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares, delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

### **3.4 Withholding**

- (a) 258 and the 258 Subsidiaries, as the case may be, will be entitled to deduct and withhold from any Consideration otherwise payable to any 258 Shareholder under this Plan of Arrangement (including any payment to 258 Shareholders exercising Dissent Rights) such amounts as 258 or the 258 Subsidiaries are permitted or required to deduct and withhold with respect to such payment under the Tax Act and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax Law as counsel may advise is permitted or required to be so deducted and withheld by 258 or the 258 Subsidiaries, as the case may be.
- (b) For the purposes of such deduction and withholding: (i) all withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder; and (ii) such deducted or withheld amounts shall be remitted to the appropriate Authority in the time and manner permitted or required by the applicable Law by or on behalf of 258 or the 258 Subsidiaries, as the case may be.

### **3.5 Post-Effective Date Procedures**

- (a) Following receipt of the Final Order and prior to the Effective Date, the Parties shall deliver or arrange to be delivered to the Depository the certificates representing the 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares required to be issued to the 258 Shareholders in accordance with Section 3.1 hereof, which certificates shall be held by the Depository as agent and nominee for such former 258 Shareholders for distribution to such former 258 Shareholders in accordance with the provisions of Article 4 hereof.
- (b) Subject to the provisions of Article 4 hereof, and upon return of a properly completed Letter of Transmittal by a registered former 258 Shareholder together with certificates, if any, which, immediately prior to the Effective Date, represented 258 Common Shares and such other documents as the Depository may require, former 258 Shareholders shall be entitled to receive delivery of certificates representing the 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares to which they are entitled pursuant to Section 3.1.

### **3.6 Deemed Fully Paid and Non-Assessable Shares**

All 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares and 779 Common Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the OBCA or the BCBCA, as applicable.

## **ARTICLE 4 CERTIFICATES**

### **4.1 Payment of Consideration**

- (a) Subject to surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented outstanding 258 Common Shares together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, following the Effective Time the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, the Consideration which such holder has the right to receive under this Plan of Arrangement, less any amounts withheld pursuant to Section 3.4, and any certificate so surrendered shall forthwith be cancelled.
- (b) Until surrendered as contemplated by Section 4.1(a), each certificate that immediately prior to the Effective Time represented a 258 Common Share shall be deemed after the Effective Time to represent only the right to receive, upon such surrender, the Consideration to which the holder thereof is entitled in lieu of such certificate as contemplated by Section 3.1 and this Section 4.1, less any amounts withheld pursuant to Section 3.4. Any such certificate formerly representing 258 Common Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall:

- (i) cease to represent a claim by, or interest of, any former 258 Shareholder of any kind or nature against or in 258 or any of the 258 Subsidiaries (or any successor to any of the foregoing); and
  - (ii) be deemed to have been surrendered to 258 and shall be cancelled.
- (c) No holder of a 258 Common Share shall be entitled to receive any consideration with respect to such 258 Common Shares other than the Consideration to which such holder is entitled in accordance with Section 3.1 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

#### **4.2 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding 258 Common Shares that are ultimately entitled to Consideration pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit or statutory declaration of that fact by the person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the securities registers maintained by or on behalf of 258, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, provided the holder to whom the Consideration is to be delivered shall, as a condition precedent to the delivery, give a bond satisfactory to 258 and the Depositary (acting reasonably) in such sum as 258 and the Depositary may direct, or otherwise indemnify 258 and the Depositary in a manner satisfactory to 258 and the Depositary, acting reasonably, against any claim that may be made against 258 or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **4.3 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or paid after the Effective Time with respect to 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares shall be delivered to the holder of any certificate formerly representing 258 Common Shares unless and until the holder of such certificate shall have complied with the provisions of Section 4.1. Subject to applicable Law and to Section 4.1 at the time of such compliance, there shall, in addition to the delivery of the Consideration to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of any dividend or other distribution declared or made after the Effective Time with respect to the 258 New Common Shares, 764 Common Shares, 765 Common Shares, 768 Common Shares, 773 Common Shares, 775 Common Shares, 777 Common Shares, 778 Common Shares or 779 Common Shares to which such holder is entitled in respect of such holder's Consideration.

### **ARTICLE 5 DISSENT RIGHTS**

#### **5.1 Dissent Rights**

Subject to section 185 of the OBCA and the terms, conditions, and restrictions set out in Article 5 of the Plan of Arrangement, there is hereby granted to each registered 258 Shareholder the right (the “**Dissent Right**”):

- (a) to dissent from the Arrangement Resolution; and

- (b) on the valid exercise of the Dissent Right in accordance with the Dissent Procedures, to be paid the fair market value of the registered 258 Shareholder's 258 Common Shares by 258, such value to be determined at the close of business on the last Business Day before the day of the Meeting.

## **5.2 Dissent Procedures**

A registered 258 Shareholder who wishes to exercise the registered 258 Shareholder's Dissent Right must:

- (a) do so in respect of all 258 Common Shares registered in the name of the registered 258 Shareholder;
- (b) comply with sections 185 of the OBCA, as modified below; and

deliver a written notice of dissent to the office of 258 at 650, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3, at least two Business Days before the day of the Meeting or any adjournment thereof,

(the “**Dissent Procedures**”).

## **5.3 Failure to Comply with Dissent Procedures**

Each registered 258 Shareholder who fails to exercise the registered 258 Shareholder's Dissent Right strictly in accordance with the Dissent Procedures will be deemed for all purposes to have:

- (a) failed to exercise the Dissent Right validly, and consequently to have waived the Dissent Right; and
- (b) thereby ceased to be entitled to be paid the fair market value of the registered 258 Shareholder's 258 Common Shares.

## **5.4 Waiver of Dissent Right**

Each registered 258 Shareholder who waives or is deemed to waive the registered 258 Shareholder's Dissent Right, or is otherwise for any reason ultimately not entitled to be paid the fair market value of the 258 Common Shares registered in the name of the registered 258 Shareholder by 258 pursuant to the Dissent Right, shall be deemed to have participated in the Arrangement.

# **ARTICLE 6 AMENDMENTS**

## **6.1 Amendments**

The Parties reserve the right to amend, modify or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

## **6.2 Effectiveness of Amendments Made Prior to or at the Meeting**

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by any of the Parties at any time prior to or at the Meeting with or without any prior notice or communication, and if so

proposed and accepted by the 258 Shareholders voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

**6.3 Effectiveness of Amendments Made Following the Meeting**

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by any of the Parties after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes.