



**Certificate of Amendment**

**Certificat de modification**

**Canada Business  
Corporations Act**

**Loi régissant les sociétés  
par actions de régime fédéral**

VELAN INC.

014614-5

Name of Corporation - Dénomination de la société

Number - Numéro

I hereby certify that the  
Articles of the above-mentioned  
Corporation were amended

Je certifie par les présentes que  
les statuts de la société  
mentionnée ci-haut ont été modifiés

(a) under Section 13 of the  
Canada Business Corporations  
Act in accordance with the  
attached notice;

(a) en vertu de l'article 13 de la  
Loi régissant les sociétés par  
actions de régime fédéral  
conformément à l'avis ci-joint;

(b) under Section 27 of the  
Canada Business Corporations  
Act as set out in the attached  
Articles of Amendment  
designating a series of shares;

(b) en vertu de l'article 27 de la  
Loi régissant les sociétés par actions  
de régime fédéral tel qu'indiqué dans  
les clauses modificatrices ci-jointes  
désignant une série d'actions;

(c) under Section 177 of the  
Canada Business Corporations  
Act as set out in the attached  
Articles of Amendment;

(c) en vertu de l'article 177 de la  
Loi régissant les sociétés par actions  
de régime fédéral tel qu'indiqué dans  
les clauses modificatrices ci-jointes;

(d) under Section 191 of the  
Canada Business Corporations  
Act as set out in the attached  
Articles of Reorganization;

(d) en vertu de l'article 191 de la  
Loi régissant les sociétés par actions  
de régime fédéral tel qu'indiqué  
dans les clauses de réorganisation  
ci-jointes;

(e) under Section 192 of the  
Canada Business Corporations  
Act as set out in the attached  
Articles of Arrangement.

(e) en vertu de l'article 192 de la  
Loi régissant les sociétés par actions  
de régime fédéral tel qu'indiqué dans  
les clauses d'arrangement ci-jointes.

directeur adjoint

Deputy Director

May 17, 1991/le 17 mai 1991

Date of Amendment - Date de la modification

1 - Name of Corporation - Dénomination de la société  VELAN INC.	2 - Corporation No. N° de la société  14614
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3 - The articles of the above-named corporation are amended as follows:

Les statuts de la société ci-haut mentionnée sont modifiés de la façon suivante:

Section 3 of the articles of continuance is hereby amended to include the following:

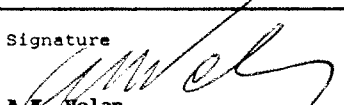
3 - The classes and any maximum number of shares that the Corporation is authorized to issue

The attached Schedule 1 is incorporated in this form.

Section 7 of the articles of continuance is hereby repealed and replaced by the following:

7 - Other provisions if any

The attached Schedule 2 is incorporated in this form.

Date  1 April 1991	Signature  A.K. Velan	Description of Office - Description du poste  President
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT  
Filed - Déposée

SCHEDULE 1

The authorized capital of the Corporation is hereby increased by the creation of an unlimited number of first preferred shares, issuable in series, of which an unlimited number of shares are designated as series A first preferred shares.

- I. The first preferred shares shall, as a class, carry and be subject to the following rights, privileges, restrictions and conditions:
- (a) The first preferred shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by resolution of the board of director of the Corporation.
  - (b) The board of directors of the Corporation shall, subject as hereinafter provided and subject to the Canada Business Corporations Act, determine, by resolution duly passed before the issue of the first preferred shares of each series, the designation, rights, privileges, restrictions and conditions to be attached to the first preferred shares of such series, including, but without in any way limiting the generality of the foregoing:
    - (i) provisions, if any, with respect to the rights of the holders of the first preferred shares of such series to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting;
    - (ii) the rate, amount or method of calculation of preferential dividends, whether or not cumulative or non-cumulative or partially cumulative, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such preferential dividends shall accrue;
    - (iii) the rights of the Corporation, if any, to purchase or redeem the same and the consideration for and the terms and conditions of any such purchase or redemption;

- (iv) the rights of conversion and/or exchange, if any, and the rates and other terms and conditions of any such rights;
- (v) the rights of retraction, if any, vested in the holders of shares of such series, and the prices and the other terms and conditions of any rights of retraction, and whether any additional rights of retraction may be vested in such holders in the future;
- (vi) the terms and conditions of any share purchase plan or sinking fund; and
- (vii) the restrictions, if any, respecting payment of dividends on the class A shares, class B shares or any other shares ranking junior to the first preferred shares;

the whole subject to the issue of a Certificate of Amendment setting forth the number, designation, rights, privileges, restrictions and conditions to be attached to the first preferred shares of such series.

- (c) The first preferred shares shall, with respect to the payment of dividends, be entitled to preference over the class A shares, class B shares and over any other shares ranking junior to the first preferred shares and
  - (i) no dividends shall at any time be declared or paid or set apart for payment on the class A shares, class B shares or on any other shares of the Corporation ranking junior to the first preferred shares; and
  - (ii) the Corporation shall not redeem or purchase any of the first preferred shares (less than the total number of first preferred shares then outstanding) or any shares of the Corporation ranking junior to the first preferred shares;

unless at the date of such declaration or payment or redemption or purchase, as the case may be, all cumulative dividends up to and including the dividend payment for the last completed period for which such cumulative dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative first preferred shares then issued and outstanding and, in respect of each series of cumulative first

preferred shares then issued and outstanding, there shall have been set apart for payment all declared and unpaid non-cumulative dividends plus an amount equal to all undeclared dividends for and in respect of the twelve (12) month period ending not more than three (3) months before the particular time; provided, however, that, in the case of any first preferred shares not outstanding, for the whole of said twelve (12) month period, said amount may, if deemed feasible in the discretion of the directors, be appropriately proportionately reduced.

- (d) In the event of the liquidation, dissolution or wind-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, the holders of the first preferred shares shall, before any amount shall be paid to or any property or assets of the Corporation distributed among the holders of the class A shares, class B shares or any other shares of the Corporation ranking junior to the first preferred shares, be entitled to receive
  - (i) an amount equal to the amount paid up thereon, together with, in the case of cumulative first preferred shares, all unpaid dividends (which for such purpose shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends have been paid up to and including the date of distribution) and, in the case of non-cumulative dividends, all declared and unpaid non-cumulative dividends, and
  - (ii) if such liquidation, dissolution, wind-up or distribution shall be voluntary, an additional amount equal to the premium, if any which would have been payable on the redemption of said first preferred shares respectively if they had been called for redemption by the Corporation on the date of distribution and, if said first preferred shares could not be redeemed on such date, then an additional amount equal to the greatest premium, if any, which would have been payable on the redemption of said first preferred shares respectively.
- (e) The first preferred shares of each series shall rank on a parity with the first preferred shares of every other series with respect to priority in the payment of dividends and distribution of assets in the event

of the liquidation, dissolution or wind-up of the Corporation, whether voluntary or involuntary, provided, however, that in case such assets are insufficient to pay in full the amount due on all the first preferred shares, then such assets shall be applied, firstly, after payment in full of all amounts due to the holders of the first preferred shares, to the payment equally and rateably of an amount equal to the price at which the first preferred shares of each series were issued and the premium thereon, if any, and, secondly, pro rata to the payment of accrued and unpaid cumulative dividends and declared and unpaid non-cumulative dividends.

- (f) The holders of the first preferred shares shall not, as such, be entitled as of right to subscribe for or purchase or receive the whole or any part of any issue of any shares, bonds, debentures or other securities or any rights to acquire the same, which may from time to time be issued by the Corporation except in accordance with any conversion, exchange or offer rights set forth in the rights, privileges, restrictions and conditions attaching to the first preferred shares of any series.
- (g) The provisions of paragraph I.(a) to I.(f), inclusive, and of this paragraph may be deleted, varied, modified, repealed, amended or amplified in whole or in part by a Certificate of Amendment, but only with the prior approval of the holders of the first preferred shares given as hereinafter specified in addition to any other approval required by the Canada Business Corporations Act.

The approval of the holders of the first preferred shares with respect to any and all matters hereinbefore referred to may be given by a special resolution duly passed by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the first preferred shares duly called and held for the purpose of considering the subject matter of such resolution and at which meeting the holders of not less than a majority of the outstanding first preferred shares are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that, if any such meeting, when originally held, the holders of at least a majority of the outstanding first preferred shares are not present in person or so represented by proxy within thirty (30) minutes after the time fixed for the meeting, then the

meeting shall be adjourned to such date, being not more than twenty-nine (29) days later, and to such time and place as may be fixed by the chairman of such meeting and, at such adjourned meeting, the holders of first preferred shares, present in person or so represented by proxy, whether or not they hold more or less than a majority of all first preferred shares then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried thereat by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the first preferred shares hereinbefore mentioned. Notice of any such original meeting of the holders of the first preferred shares shall be given not less than twenty-one (21) nor more than fifty (50) days prior to the date fixed for such meeting and shall state the nature of the business to be transacted and the text of any resolution to be submitted to the meeting. No notice of the adjourned meeting need be given other than by announcement at the original meeting. The formalities to be observed with respect to the giving of notice of any such original meeting and the conduct of such meeting and of the adjourned meeting shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders or in the Canada Business Corporations Act.

If the deletion, variation, modification, amendment or amplification of the provisions hereinbefore contained especially affects the rights of the holders of first preferred shares of any series in a manner or to an extent substantially different from that in which the rights of the holders of first preferred shares of any other series are affected, then such deletion, variation, modification, amendment or amplification shall, in addition to being approved by the holders of the first preferred shares of such series so especially affected, which approval may be expressed by a special resolution passed by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of first preferred shares of such series, and the provisions of this paragraph shall apply, mutatis mutandis, with respect to the holding of such meeting.

At any meeting of the holders of first preferred shares, without distinction as to series, each holder of first preferred shares shall be entitled

to one (1) vote in respect of each first preferred share held by him. At any meeting of the holders of first preferred shares of any particular series, each holder shall be entitled to one (1) vote in respect of each first preferred share of such series held by him.

The formalities to be observed with respect to the giving of notice of any meeting of holders of first preferred shares and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders or in the Canada Business Corporations Act.

II. The first series of first preferred shares consists of an unlimited number of shares designated as series A first preferred shares and shall have attached thereto, in addition to the rights, privileges, restrictions and conditions attached to the first preferred shares as a class, the following rights, privileges, restrictions and conditions:

- (a) Subject to the provisions of the Act or as otherwise expressly provided herein, the holders of the series A first preferred shares shall not be entitled to receive notice of, nor to attend or vote at meetings of the shareholders of the Corporation.
- (b) The holders of the series A first preferred shares shall be entitled to receive during each year, as and when declared by the board of directors, but always in preference and priority to any payment of dividends on the class A shares, class B shares or any other shares ranking junior to the series A first preferred shares, cumulative dividends at a fixed rate of eight percent (8%) per annum calculated on the series A first preferred redemption price (as hereinafter in paragraph II. (g) defined) of each such share. The holders of the series A first preferred shares shall not be entitled to any dividend in excess of the dividend hereinbefore provided for.
- (c) In the event of the liquidation, dissolution or wind-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, the holders of the series A first preferred shares shall be entitled to receive for each series A first preferred share, in



preference and priority to any distribution of the property or assets of the Corporation to the holders of the class A shares, class B shares or any other shares ranking junior to the series A first preferred shares, an amount equal to the series A first preferred redemption price plus all accrued and unpaid dividends thereon, but shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

- (d) The Corporation may, in the manner hereinafter provided, redeem at any time all, or from time to time any part, of the outstanding series A first preferred shares on payment for each series A first preferred share to be redeemed of the series A first preferred redemption price plus all accrued and unpaid dividends thereon (in paragraphs II. (e) and (f) called the "redemption price").
- (e) Before redeeming any series A first preferred shares, the Corporation shall mail or deliver to each person who, at the date of such mailing or delivery, shall be a registered holder of series A first preferred shares to be redeemed, notice of the intention of the Corporation to redeem such shares held by such registered holder; such notice shall be delivered to, or 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 address of such holder known to the Corporation, at least one (1) day before the date specified for redemption; such notice shall set out the redemption price, the date on which the redemption is to take place and, if part only of the series A first preferred shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed; on or after the date so specified for redemption the Corporation shall pay or cause to be paid the redemption price to the registered holders of the series A first preferred shares to be redeemed on presentation and surrender of the certificates for the series A first preferred shares so called for redemption at the registered office of the Corporation or at such other place or places as may be specified in such notice, and the certificates for such series A first preferred shares shall thereupon be cancelled, and the series A first preferred shares represented thereby shall thereupon be redeemed; from and after the date specified for redemption in such notice,

the holders of the series A first preferred shares called for redemption shall cease to be entitled to dividends in respect of such shares and shall not be entitled to exercise any of the rights of the holders thereof, except the right to receive the redemption price, unless payment of the redemption price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unaffected; on or before the date specified for redemption, the Corporation shall have the right to deposit the redemption price of the series A first preferred shares called for redemption in a special account with any chartered bank or trust company in Canada named in the notice of redemption, to be paid, without interest, to or to the order of the respective holders of such series A first preferred shares called for redemption, upon presentation and surrender of the certificates representing the same and, upon such deposit being made or upon the date specified for redemption, whichever is later, the series A first preferred shares in respect whereof such deposit shall have been made, shall be deemed to be redeemed and the rights of the respective holders thereof, after such deposit or after such redemption date, as the case may be, shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective series A first preferred shares against presentation and surrender of the certificates representing such series A first preferred shares. If less than all the series A first preferred shares are to be redeemed, the shares to be redeemed shall be redeemed pro rata, disregarding fractions, unless the holders of the series A first preferred shares unanimously agree to the adoption of another method of selection of the series A first preferred shares to be redeemed. If less than all the series A first preferred shares represented by any certificate be redeemed, a new certificate for the balance shall be issued.

- (f) The Corporation may purchase for cancellation at any time all, or from time to time any part, of the series A first preferred shares outstanding, by private contract at any price, with the unanimous consent of the holders of the series A first preferred shares then outstanding, or by invitation for tenders addressed to all the holders of the series A first preferred shares at the lowest price at which, in the opinion of the directors, such

shares are obtainable but not exceeding the redemption price thereof. If less than all the series A first preferred shares represented by any certificate be purchased for cancellation, a new certificate for the balance shall be issued.

- (g) For the purposes of the foregoing paragraphs II. (b), (c) and (d), the "series A first preferred redemption price" of each series A first preferred share shall be the sum of one dollar (\$1.00).
- (h) No change to any of the provisions of paragraphs II. (a) to (g) or of this paragraph (h) shall have any force or effect until it has been approved by a majority of not less than two-thirds (2/3) of the votes cast by the holders of the series A first preferred shares, voting separately as a class at a meeting of such holders specially called for that purpose, or by a resolution in writing signed by all the holders of the series A first preferred shares, in addition to any other approval required by the Act.

SCHEDULE 2

- (1) The number of its shareholders is limited to fifty (50), exclusive of present or former employees of the Corporation or of a subsidiary;
- (2) The Corporation shall not make a distribution to the public of any of its securities;
- (3) The directors of the Corporation may, without authorization of the shareholders:
  - (a) borrow money upon the credit of the Corporation;
  - (b) issue, reissue, sell or pledge any bonds, debentures, debenture-stock or other debt obligations of the Corporation;
  - (c) subject to the Canada Business Corporations Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
  - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The directors may, by resolution or by-law, delegate such powers to any director, a committee of directors or any officer to such extent and in such manner as may be set out in such resolution or by-law, as the case may be; and

- (4) For the purposes of the Special Corporate Powers Act, R.S.Q., c. P-16 and without in any way limiting the powers conferred upon the Corporation and its directors by section 189 of the Canada Business Corporation Act, the Corporation may for the purpose of securing any bonds, debentures or debenture-stock, which it is by law entitled to issue, hypothecate, mortgage or pledge, and cede and transfer, any property, moveable or immoveable, present or future, which it may own.