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**GOVERNMENT OF**
**NEWFOUNDLAND AND LABRADOR**
**Department of Government Services**

*THE CORPORATIONS ACT*
*FORM 5*

# CERTIFICATE OF AMENDMENT

(Sections 279, 286)

| | |
|---|---|
| Corporation Name: | **BARBOUTI HOLDINGS LIMITED** |
| Corporation Number: | **62893** |
| Date of Amendment: | **March 30, 2012** |

I certify, as per the attached Articles of Amendment, that the Articles of Incorporation for this Corporation have been amended under the Corporations Act of Newfoundland and Labrador.

REGISTRAR OF COMPANIES
For Province of Newfoundland and Labrador
April 2, 2012

NEWFOUNDLAND
*THE CORPORATIONS ACT*
FORM 4
**ARTICLES OF AMENDMENT**
(Sections 54, 285)

**REGISTRY OF COMPANIES**
Company No. 62893
Filed Mar 30, 2012
Receipt No. 800013TQ
Registrar of Companies

REGISTERED

| 1 - Name of Corporation<br>**Dr. Mohammed Barbouti Professional Medical Corporation** | 2 - Corporation No.<br>62893 |
|---|---|

3 - The articles of the above-named corporation are amended as follows:

(i) By changing the name of the Corporation from Dr. Mohammed Barbouti Professional Medical Corporation to Barbouti Holdings Limited.

(ii) The Corporation is no longer restricted to carrying on the practice of medicine and related matters and may carry on any business.

(iii)The restriction that the Class A Common Shares shall be beneficially owned by and registered in the name of one or more medical practitioners registered and licensed under the *Medical Act*, 2005 SNL 2005, Chapter M-4.01 as amended is hereby removed.

(iv) The directors of the Corporation no longer need to be medical practitioners registered and licensed under the *Medical Act*, 2005 SNL 2005, Chapter M-4.01 as amended, and there may be an agreement that restricts the powers of the directors of the Corporation to manage the business and affairs of the Corporation.

| Date | Signature | Description of Office |
|---|---|---|
| March 30, 2012 | William O'Keefe | Solicitor |

**For Departmental use only**

Filed

RECEIVED
MAR 30 2012
REGISTRY OF COMPANIES

William O'Keefe #70 R800013TQ

**GOVERNMENT OF**
**NEWFOUNDLAND AND LABRADOR**
**Department of Government Services**

*THE CORPORATIONS ACT*
*FORM 2*

# CERTIFICATE OF INCORPORATION

(Section 15)

| | |
|---|---|
| Corporation Name: | **DR. MOHAMMAD BARBOUTI PROFESSIONAL MEDICAL CORPORATION** |
| Corporation Number: | **62893** |
| Date of Incorporation: | **July 13, 2010** |

I certify, as per the attached Articles of Incorporation, that this Corporation has been incorporated under the Corporations Act of Newfoundland and Labrador.

REGISTRAR OF COMPANIES
For Province of Newfoundland and Labrador
July 14, 2010

**REGISTRY OF COMPANIES**

Company No. 62893

Filed July 13, 2010

Receipt No. 3302-627

Registrar of Companies

**GOVERNMENT OF**
**NEWFOUNDLAND AND LABRADOR**

***THE CORPORATIONS ACT***

**FORM 1**

# ARTICLES OF INCORPORATION

(Sections 12, 421, 463, 490,)

REGISTERED

1 - Name of Corporation

**Dr. Mohammad Barbouti Professional Medical Corporation**

2 - The place in Newfoundland where the registered office is to be situated

Grand Bank Community Health Centre, P. O. Box 310, Grand Bank, NL A0E 1W0

3 - The classes and maximum number of shares that the corporation is authorized to issue:

(i)An unlimited number of Class A Common Shares no par value; (ii) an unlimited number of Class B Common Shares no par value; (iii) an unlimited number of Class A Preferred Shares no par value; and (iv) an unlimited number of Class B Preferred Shares no par value.
The attached Schedule 1 forms part of these Articles of Incorporation.

4 - Restrictions if any on share transfers

The attached Schedule 2 forms part of these Articles of Incorporation.

5 - Number (or minimum and maximum number) of directors

Minimum 1; Maximum 5

6 - Restrictions if any on business the corporation may carry on

The Corporation is restricted to providing the services of a medical practitioner and related matters.

7 - Other provisions if any

The attached Schedule 3 forms part of these Articles of Incorporation.

8 - Incorporators

| Names | Address (Include Postal Code) | Signature |
|---|---|---|
| William J. O'Keefe | 1973 Topsail Road, Paradise, NL A1L 1Z4 | William J. O'Keefe |
| | | |

**For Department use only**

Corporation No. -

RECEIVED
JUL 13 2010
REGISTRY OF COMPANIES

$370 - R3302627

REGISTRY OF COMPANIES
Company No. 62893
Filed July 13, 2010
Receipt No. 3302 627

Registrar of Companies

REGISTERED

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

*THE CORPORATIONS ACT*

FORM 3

## NOTICE OF REGISTERED OFFICE OR NOTICE OF CHANGE OF REGISTERED OFFICE

(Section 34)

| 1 - Name of corporation | 2 - Corporation No. |
|---|---|
| **Dr. Mohammad Barbouti Professional Medical Corporation** | 62893 |

3 - Address of the registered office

Grand Bank Community Health Centre, P. O. Box 310, Grand Bank, NL A0E 1W0

4 - Effective date of change
N/A

5 - Previous address of the registered office
N/A

| Date | Signature | Description of Office |
|---|---|---|
| July 13, 2010 | | Solicitor |

(C:\Documents and Settings\Administrator\My Documents\Incorporated Doctors\Dr. Mohammed Barbouti\Form 3 - Notice of Registered Office.wpd)

REGISTRY OF COMPANIES
Company No. 62893
Filed July 13, 2010
Receipt No. 3302627

Registrar of Companies

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

REGISTERED

*THE CORPORATIONS ACT*

FORM 6

## NOTICE OF DIRECTORS
(Sections 175, 183)

| 1 - Name of Corporation | 2 - Corporation No. |
|---|---|
| **Dr. Mohammad Barbouti Professional Medical Corporation** | 62893 |

3 - The following persons became directors of this corporation:
Effective Date: July 13, 2010

| Name | Residential Address | Occupation |
|---|---|---|
| Dr. Mohammad Barbouti | 3 Forsey Road<br>Grand Bank, NL<br>A0E 1W0 | Medical Doctor |

4 - The following persons ceased to be directors of this corporation:
Effective Date

| Name | Residential Address |
|---|---|
| | |

5 - The directors of this corporation now are:

| Name | Residential Address | Occupation | Citizenship |
|---|---|---|---|
| Dr. Mohammad Barbouti | 3 Forsey Road<br>Grand Bank, NL<br>A0E 1W0 | Medical Doctor | Canadian |

| Date | Signature | Description of Office |
|---|---|---|
| July 13, 2010 | | Solicitor |

(C:\Documents and Settings\Administrator\My Documents\Incorporated Doctors\Dr Mohammed Barbouti\Form 6 - Notice of Directors.wpd)

**ARTICLES OF INCORPORATION**

**DR. MOHAMMAD BARBOUTI PROFESSIONAL MEDICAL CORPORATION**

(The "Corporation")

**SCHEDULE 1**

3. (i) The rights, privileges, restrictions and conditions attaching to the Class A Common Shares of the Corporation are as follows:

(a) the Class A Common Shares shall be beneficially owned by and registered in the name of one or more medical practitioners registered and licensed under the *Medical Act*,2005 SNL 2005, Chapter M-4.01;

(b) the holders of the Class A Common Shares shall be entitled to notice of and to attend all meetings of the shareholders of the Corporation, except meetings at which only holders of Preferred Shares are entitled to vote, and shall be entitled to one vote for each Class A Common Share held;

(c) Subject to the prior rights of or to any preference as to dividends provided to the holders of any other shares of a class of shares of the Corporation with respect to priority in the payment of dividends, the holders of the Class A Common Shares shall be entitled to receive discretionary dividends and the Corporation shall pay dividends thereon, as and when declared by the Board of Directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the Board of Directors may declare on the Class A Common Shares shall be declared and paid in equal amounts per share on all Class A Common Shares at the time outstanding.

The Class A Common Shares are not preferred as to dividends. Dividends may at any time be declared or paid or set apart for payment on other shares of the Corporation without declaring or paying or setting apart for payment a dividend on the Class A Common Shares. Dividends may at any time be declared or paid or set apart for payment on the Class A Common Shares without declaring or paying or setting apart for payment a dividend on any other shares of the Corporation;

(d) the holders of the Class A Common Shares shall have the right, subject to the prior rights of any holders of Preferred Shares, to share *parri passu* in the remaining property and assets of the Corporation with the holders of the Class B Common Shares upon its dissolution, liquidation or winding-up; and

(e) Notwithstanding subsection 3(i)(a) hereof, the Class A Common Shares of the Corporation may be held by:

(i) an executor or administrator of the estate of a deceased medical practitioner to discharge the duties of that position;

or

(ii) a trustee in bankruptcy to discharge the duties as trustee in respect of the Corporation or a medical practitioner;

for no longer than 180 days, or a longer period where the Registrar of the College of Physicians and Surgeons of Newfoundland and Labrador permits.

(ii) The rights, privileges, restrictions and conditions attaching to the Class B Common Shares of the Corporation are as follows:

(a) the Class B Common Shares shall be owned by a natural person;

(b) the holders of the Class B Common Shares shall not be entitled to notice of or to attend meetings of the shareholders of the Corporation and shall not be entitled to any votes in respect of any Class B Common Shares held;

(c) Subject to the prior rights of or to any preference as to dividends provided to the holders of any other shares of a class of shares of the Corporation with respect to priority in the payment of dividends, the holders of the Class B Common Shares shall be entitled to receive discretionary dividends and the Corporation shall pay dividends thereon, as and when declared by the Board of Directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the Board of Directors may declare on the Class B Common Shares shall be declared and paid in equal amounts per share on all Class B Common Shares at the time outstanding.

The Class B Common Shares are not preferred as to dividends. Dividends may at any time be declared or paid or set apart for payment on other shares of the Corporation without declaring or paying or setting apart for payment a dividend on the Class B Common Shares. Dividends may at any time be declared or paid or set apart for payment on the Class B Common Shares without declaring or paying or setting apart for payment a dividend on any other shares of the Corporation; and

(d) the holders of the Class B Common Shares shall have the right, subject to the prior rights of any holders of Preferred Shares, to share *parri passu* in the remaining property and assets of the Corporation with the holders of the Class A Common Shares upon its dissolution, liquidation or winding-up.

(iii) The rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares of the Corporation are be as follows:

1.1 Definitions: The following definitions apply to the Class A Preferred Shares:

1.1.1 "Act" means the *Corporations Act* (Newfoundland), as amended from time to time;

1.1.2 "Boot" shall have the meaning assigned thereto in Section 1.1.4 hereof;

1.1.3 "Class A Preferred Share Redemption Date" means the date fixed for the redemption of the Class A Preferred Shares referred to in Section 2.3.2 hereof;

1.1.4 "Class A Preferred Share Redemption Price" for a Class A Preferred Share at a particular time means the amount determined by the following formula:

$$\frac{A-B}{C}$$

Where:

A = the aggregate Fair Market Value of each property (a "Purchased Asset") transferred to the Corporation (determined at the time of such transfer) as consideration for the Class A Preferred Shares and the Boot given in consideration therefor by the Corporation, such Fair Market Value to be determined by the board of directors with the assistance of the Corporation's accountants;

B = the Fair Market Value of any property (other than Class A Preferred Shares) given by the Corporation (determined at the time such property is given) as partial consideration for the Purchased Assets (the "Boot") and for greater certainty the Boot includes any liabilities assumed by the Corporation in respect of the Purchased Assets; and

C = the number of Class A Preferred Shares issued by the Corporation as partial consideration for the Purchased Assets, notwithstanding that such Class A Preferred Shares may not be outstanding at that time;

subject to adjustment as provided in Sections 2.5 hereof;

1.1.5 "Fair Market Value" shall be construed in accordance with the *Income Tax Act* (Canada);

1.1.6 "Final Distribution" means the distribution of the assets of the Corporation on any liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

1.1.7 "Prescribed Rate"means the rate of interest prescribed by paragraph 4301(c) of the *Income Tax Regulations* (Canada), as determined from time to time;

1.1.8 "Purchased Assets" shall have the meaning assigned thereto in Section 1.1.4 hereof;

1.1.9 "Retraction Notice" shall have the meaning assigned thereto in Section 2.7 hereof;

1.1.10 "Special Resolution" shall have the meaning assigned thereto in the Act; and

1.1.11 "Subject Share" shall have the meaning assigned thereto in Section 2.5 hereof.

1.2 Headings: This Schedule 1, as amended from time to time, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number permitted by the context.

CLASS A PREFERRED SHARES

2.1 Non-Cumulative Dividends: The holders of the Class A Preferred Shares shall be entitled to receive for each month in a fiscal year of the Corporation and the Corporation shall pay thereon if, as and when declared by the board of directors of the Corporation out of the monies of the Corporation properly applicable to the payment of dividends, non-cumulative monthly dividends not exceeding 1/15 of the product of the Prescribed Rate and the Class A Preferred Share Redemption Price for each issued and outstanding Class A Preferred Share for each such month payable, if declared, by the end of the fiscal year in which that particular month ends (the "Dividend Payment Date"). The board of directors shall be entitled from time to time to declare part of the said non-cumulative dividend for any month notwithstanding that the dividend for such month shall not be paid in full.

If the board of directors in its discretion shall not have declared the said non-cumulative dividend, or any part thereof, on the Class A Preferred Shares for a particular month by the Dividend Payment Date, then the rights of the holders of the Class A Preferred Shares to such dividend or any undeclared part thereof for such month shall be forever extinguished. The holders of the Class A Preferred Shares shall not be entitled to any dividend other than or in excess of the dividends hereinbefore provided for.

Notwithstanding any other provision hereof, the Class A Preferred Shares are not preferred as to dividends. Dividends may at any time be declared or paid or set apart for payment on the Class A Common Shares, the Class B Common Shares or other shares of a class of shares ranking junior to the Class A Preferred Shares in the payment of dividends for any particular month without declaring, paying or setting apart for payment any dividend for or on the Class A Preferred Shares for that month and dividends may at any time be declared or paid on the Class A Preferred Shares without declaring, paying or setting apart for payment any dividend for or on the Class A Common Shares, the Class B Common Shares or other shares of a class of shares of the Corporation ranking by their terms junior to the Class A Preferred Shares in the payment of dividends, all within the unfettered discretion of the Board of Directors of the Corporation.

Cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of such dividends and payment thereof shall satisfy such dividends. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 5 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.2 Non-Voting: Subject to Section 2.8 hereof, the holders of the Class A Preferred Shares shall not as holders of such shares be entitled to notice of, or to attend or vote at, any meeting of the shareholders of the Corporation except as required by the Act. On any poll of the holders of the Class A Preferred Shares each holder of a Class A Preferred Share shall have one vote for each Class A Preferred Share held. The procedure for calling and holding meetings for the purpose of taking such polls (including, but without limitation, the requirements for notice and quorum) shall be the same, *mutatis mutandis*, as that provided in the by-laws of the Corporation for the calling and holding of meetings of the shareholders.

2.3 Redemption:

2.3.1 Subject to the provisions of the Act, the Corporation may, upon giving notice as hereinafter provided, redeem at any time or from time to time the whole or any part of the then outstanding Class A Preferred Shares on payment for each share to be redeemed the Class A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon.

2.3.2 In the case of redemption of Class A Preferred Shares pursuant to Section 2.3.1 hereof, the Corporation shall at least 14 days before the date (the "Class A Preferred Share Redemption Date") specified for redemption mail to each person who at the date of mailing is a registered holder of a Class A Preferred Share to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A Preferred Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each such shareholder at his address as it appears on the records of the

Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption.

Such notice shall set out the aggregate Class A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon and the Class A Preferred Share Redemption Date and, if only part of the 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 Class A Preferred Share Redemption Date, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class A Preferred Shares to be redeemed the Class A Preferred Share Redemption Price thereof together with all declared, but unpaid, dividends thereon upon presentation and surrender of the certificates representing the Class A Preferred Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice as the place of redemption. If only a part of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of Section 2.3.3 below, on and after the Class A Preferred Share Redemption Date, the Class A Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Class A Redemption Price together with all declared, but unpaid, dividends thereon shall not be made upon presentation of the certificates in accordance with the foregoing provisions, in which case the rights of the holders of the Class A Preferred Shares subject to redemption shall remain unaffected.

2.3.3 The Corporation shall have the right, at any time on or after the date of mailing of notice of its intention to redeem any Class A Preferred Shares as aforesaid, to deposit the aggregate Class A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon for the Class A Preferred Shares so called for redemption or of such of the said Class A Preferred Shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in a specified chartered bank or specified trust company in Canada, named in such notice of redemption, to be paid without interest to or to the order of the respective holders of such Class A Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same. Upon such deposit being made or upon the Class A Preferred Share Redemption Date, whichever is the later, the Class A Preferred Shares in respect whereof such deposit shall have been made shall be deemed to be redeemed and all rights of the holders thereof after such deposit or such redemption, as the case may be, shall be limited to receiving without interest their proportionate share of the aggregate Class

A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon so deposited against presentation and surrender of the said certificates held by them. Any interest allowed on any such deposit shall belong to the Corporation. Redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held on deposit to a special account as provided for above) for a period of 5 years from the date specified for redemption shall be forfeited to the Corporation.

2.3.4 In the event that only part of the Class A Preferred Shares is at any time to be redeemed, the shares to be redeemed shall be selected *pro rata* (disregarding fractions) according to the number of Class A Preferred Shares held by each holder of record thereof as at the date of the notice of redemption or in such other manner as the board of directors of the Corporation in its sole discretion may deem equitable.

2.3.5 The Class A Preferred Shares may be redeemed notwithstanding that shares of any other class are outstanding at the time of such redemption and are not redeemed at such time.

2.4 Dissolution: In the event of a Final Distribution, the holders of the Class A Preferred Shares shall be entitled to receive the Class A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon. After the payment to the holders of the Class A Preferred Shares of the amount so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the assets or property of the Corporation.

2.5 Class A Preferred Share Redemption Price Adjustment (Change in Fair Market Value of the Purchased Assets): In the event that the Minister of National Revenue, any duly authorized official of the Canada Revenue Agency or any taxing authority having jurisdiction issues or proposes to issue an assessment or re-assessment of tax under the *Income Tax Act* (Canada) or another statute on the basis that the fair market value of a Class A Preferred Share (the "Subject Share") does not equal the result of the following formula:

$$\frac{A-B}{C}$$

Where:

A = the Fair Market Value of the Purchased Assets transferred to the Corporation (determined at the time of such transfer) as consideration for the Class A Preferred Shares and the Boot, as finally determined by such taxing authority or by adjudication (after the expiration or waiver of all rights of appeal with respect to such final determination or adjudication);

B = the Fair Market Value of the Boot; and

C = the number of Class A Preferred Shares issued by the Corporation as partial consideration for the Purchased Assets, notwithstanding that such Class A Preferred Shares may not be outstanding on the date that this adjustment clause is implemented.

then the Class A Preferred Share Redemption Price shall be changed, effective as of the date on which the Subject Share was issued by the Corporation, so that such change in the Class A Preferred Share Redemption Price will cause the Fair Market Value of the Subject Share to be equal to the result of the above formula; and all necessary payments or repayments as may be required in order to give effect to such change in respect of any redemption or purchase for cancellation, return of paid up capital and/or contributed surplus or payment of a dividend effected prior to such final determination or adjudication shall be made by the Corporation or the holder of such Subject Share, as the case may be, effective as of the time it was so redeemed, purchased for cancellation, or in respect of which a dividend was paid or paid up capital or contributed surplus, as the case may be, was returned.

2.6 Restriction on Dividends: Dividends shall not be declared or paid on the Class A Common Shares, the Class B Common Shares or shares of any other class outstanding from time to time, if the effect would be to prevent the Corporation from redeeming each of its Class A Preferred Shares for its Class A Preferred Share Redemption Price, together with all declared, but unpaid, dividends thereon.

2.7 Retraction of the Class A Preferred Shares: Subject to the provisions of the Act, every registered holder of a Class A Preferred Share may, at his option and in the manner hereinafter provided, require the Corporation to retract at any time all or any part of the Class A Preferred Shares held by such holder upon payment for each share to be redeemed the Class A Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon.

In the case of the retraction of the Class A Preferred Shares under the provisions of this Section, the holder thereof shall surrender the certificate or certificates representing such Class A Preferred Shares at the registered office of the Corporation accompanied by a notice in writing (a "Retraction Notice") signed by such holder requiring the Corporation to retract all or a specified number of the Class A Preferred Shares represented thereby. As soon as practicable following receipt of a Retraction Notice, the Corporation shall pay or cause to by paid to or to the order of the registered holder of the Class A Preferred Shares to be retracted the Class A Preferred Share Redemption Price thereof together with all declared, but unpaid, dividends thereon. If only a part of the Class A Preferred Shares represented by any certificate are redeemed a new certificate for the balance shall be issued at the expense of the Corporation.

2.8 Alteration of Rights: The provisions herein may be repealed, altered, modified, amended or amplified only with the approval of a Special Resolution of the holders of the shares in the capital of the Corporation entitled to vote thereon and with the approval of a Special Resolution of the holders of the Class A Preferred Shares voting separately as a class.

2.9 Priority: With respect to priorities on the payment on a Final Distribution, the Class A Preferred Shares shall rank before the Class A Common Shares, the Class B Common Shares and *pari passu* with the Class B Preferred Shares and before the shares of any other class ranking by their terms junior to the Class A Preferred Shares.

2.10 Ownership of Class A Preferred Shares: The Class A Preferred Shares shall be owned by a natural person.

(iv) The rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares of the Corporation are as follows:

PART I - INTERPRETATION

1.1 Definitions: In this Schedule "1"(iv):

1.1.1 "Act" means the *Corporations Act* (Newfoundland), as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions);

1.1.2 "Class B Preferred Share Consideration" shall have the meaning assigned thereto in Section 1.1.4 hereof;

1.1.3 "Class B Preferred Share Redemption Date" means the date fixed for the redemption of the Class B Preferred Shares referred to in Section 2.3.2;

1.1.4 "Class B Preferred Share Redemption Price" for a Class B Preferred Share means, at a particular time, the amount determined by the following formula:

$$\frac{A}{B}$$

Where:

A = The aggregate Fair Market Value of the properties (the " Class B Preferred Share Consideration") transferred to the Corporation by a person (the "Class B Preferred Share Subscriber"), as consideration for Class B Preferred Shares, such Fair Market Value to be determined as at the time of such transfer and by the board of directors of the Corporation with the assistance of the Corporation's accountant; and

B = The number of Class B Preferred Shares issued by the Corporation, notwithstanding that such Class B Preferred Shares may not be issued and outstanding at that particular time;

subject to adjustment as provided in Section 2.5 hereof;

1.1.5 "Class B Preferred Share Retraction Notice" shall have the meaning assigned thereto in Section 2.7 hereof;

1.1.6 "Class B Preferred Subject Share" shall have the meaning assigned thereto in Section 2.5 hereof;

1.1.7 "Fair Market Value" shall be construed in accordance with the *Income Tax Act* (Canada);

1.1.8 "Final Distribution" means the distribution of assets of the Corporation on any liquidation, dissolution, winding up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

1.2 Headings: This Schedule "1"(iv), as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number permitted by the context.

1.3 Notice to the Corporation: Any notice, request or other communication, to be given to the Corporation by a holder of shares in the capital of the Corporation shall be in writing and shall be valid and effective if given by mail (postage pre-paid) or by telecopier or by delivery to the registered office of the Corporation and addressed to the attention of the President. Any such notice, request or other communication, if given by mail, telecopier or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation.

1.4 Manner of Presentation and Surrender of Certificate: Any presentation and surrender by a holder of shares to the Corporation of certificates representing shares in the capital of the Corporation in connection with a Final Distribution, or on the retraction or redemption of shares in the capital of the Corporation, where applicable, shall be made by registered mail (postage pre-paid) or by delivery to the registered office of the Corporation, in each case addressed to the attention of the President of the Corporation. Any such presentation and surrender of the certificates shall only be deemed to have been made and be effective upon actual receipt thereof by the Corporation. Any such presentation and surrender of certificates made by registered mail shall be at the sole risk of the holder mailing the same.

1.5 Notice to Holders of Shares: Any notice, request or other communication to be given to a holder of shares in the capital of the Corporation by or on behalf of the Corporation shall be in writing and shall be valid and effective if given by mail (postage pre-paid) or by delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the third business day (that is, any day other than a Saturday, a Sunday or a day when banks are not open for business in Grand Bank, Newfoundland and Labrador) following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of shares in the capital of the Corporation shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant thereto.

## PART II - CLASS B PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares without nominal or par value in the capital of the Corporation are as follows:

2.1 Discretionary Dividends: Subject to the prior rights of or to any preference as to dividends provided to the holders of any other shares of a class of shares of the Corporation with respect to priority in the payment of dividends, the holders of the Class B Preferred Shares shall be entitled to receive discretionary dividends and the Corporation shall pay dividends thereon, as and when declared by the Board of Directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the Class B Preferred Shares shall be declared and paid in equal amounts per share on all Class B Preferred Shares at the time outstanding.

Notwithstanding any other provision hereof except Section 2.5 hereof, the Class B Preferred Shares are not preferred as to dividends. Dividends may at any time and from time to time be declared or paid or set apart for payment on the Class A Common Shares, the Class B Common Shares, the Class A Preferred Shares or other shares of a class of shares of the

Corporation without declaring, paying or setting apart for payment any dividend for or on the Class B Preferred Shares and dividends may at any time be declared or paid or set apart for payment on the Class B Preferred Shares without declaring, paying or setting apart for payment any dividend for or on the Class A Common Shares, the Class B Common Shares, the Class A Preferred Shares or other shares of a class of shares of the Corporation, all within the unfettered discretion of the Board of Directors of the Corporation.

Cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of such dividends and payment thereof shall satisfy such dividends. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 5 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.2 Non-Voting: Subject to Section 2.8, the holders of the Class B Preferred Shares shall not as holders of such shares be entitled to notice of, or to attend or vote at, any meeting of the Shareholders of the Corporation except as required by the Act. On any poll of the holders of the Class B Preferred Shares each holder of a Class B Preferred Share shall have one vote for each Class B Preferred Share held. The procedure for calling and holding meetings for the purpose of taking such polls (including, but without limitation, the requirements for notice and quorum) shall be the same, *mutatis mutandis*, as that provided in the by-laws of the Corporation for the calling and holding of meetings of the Shareholders.

2.3 Redemption:

2.3.1 Subject to the provisions of the Act, the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Class B Preferred Shares on payment for each share to be redeemed the Class B Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon.

2.3.2 In the case of redemption of Class B Preferred Shares pursuant to Section 2.3.1 hereof, the Corporation shall at least 14 days before the date (the "Class B Preferred Share Redemption Date") specified for redemption mail to each person who at the date of mailing is a registered holder of a Class B Preferred Share to be redeemed a notice in writing of the intention of the Corporation to redeem such Class B Preferred Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each such Shareholder at his address as it appears on the records of the Corporation or in the event of the address of any such Shareholder not so appearing then to the last known address of such Shareholder; provided, however, that accidental failure to give any such notice to one or more of such Shareholders shall not affect the validity of such redemption.

Such notice shall set out the aggregate Class B Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon and the Class B Preferred Share Redemption Date and, if only part of the 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 Class B Preferred Share Redemption Date, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class B Preferred Shares to be redeemed the Class B Preferred Share Redemption Price thereof together with all declared, but unpaid, dividends thereon upon presentation and surrender of the certificates representing the Class B Preferred Shares called for redemption at the registered office of the Corporation or any other place or places designated in the notice as the place of redemption. If only a part of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of Section 2.3.3 below, on and after the Class B Preferred Share Redemption Date, the Class B Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of Shareholders in respect thereof unless payment of the Class B Redemption Price together with the declared, but unpaid, dividends thereon shall not be made upon presentation of the certificates in accordance with the foregoing provisions, in which case the rights of the holders of the Class B Preferred Shares subject to redemption shall remain unaffected.

2.3.3 The Corporation shall have the right, at any time on or after the date of mailing of notice of its intention to redeem any Class B Preferred Shares as aforesaid, to deposit the aggregate Class B Preferred Share Redemption Price together with all declared, but unpaid, dividends thereon for the Class B Preferred Shares so called for redemption or of such of the said Class B Preferred Shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in a specified chartered bank or specified trust company in Canada, named in such notice of redemption, to be paid without interest to or to the order of the respective holders of such Class B Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same. Upon such deposit being made or upon the Class B Preferred Share Redemption Date, whichever is the later, the Class B Preferred Shares in respect whereof such deposit shall have been made shall be deemed to be redeemed and all rights of the holders thereof after such deposit or such redemption, as the case may be, shall be limited to receiving without interest their proportionate share of the aggregate Class B Preferred Share Redemption Price together with the declared, but unpaid, dividends thereon so deposited against presentation and surrender of the said certificates held by them. Any interest allowed on any such deposit shall belong to the Corporation. Redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held on deposit to a special account as provided for above) for a period of 5 years from the date specified for redemption shall be forfeited to the Corporation.

2.3.4 In the event that only part of the Class B Preferred Shares is at any time to be redeemed, the shares to be redeemed shall be selected *pro rata* (disregarding fractions) according to the number of Class B Preferred Shares held by each holder of record thereof as at the date of the notice of redemption or in such other manner as the Board of Directors of the Corporation in its sole discretion may deem equitable.

2.4 Dissolution: In the event of a Final Distribution, the holders of the Class B Preferred Shares shall be entitled to receive from the assets and property of the Corporation for each Class B Preferred Share held by them the Class B Preferred Share Redemption Price for such shares together with all declared, but unpaid, dividends thereon before any amount shall be paid or any assets or property of the Corporation distributed to the holders of any Class A Common Shares, Class B Common Shares or shares of any other class ranking junior to the Class B Preferred Shares in the event of a Final Distribution. After payment to the holders of the Class B Preferred Shares of the amount so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Corporation.

2.5 Class B Preferred Share Redemption Price Adjustment (Change in Fair Market Value of the Class B Preferred Share Consideration): In the event that the Minister of National Revenue, any duly authorized official of the Canada Revenue Agency or any taxing authority having jurisdiction issues or proposes to issue an assessment or re-assessment of tax under the *Income Tax Act* (Canada) or other statute against a Class B Preferred Share Subscriber on the basis that the Fair Market Value of a Class B Preferred Share (the "Class B Preferred Subject Share") issued to the Class B Preferred Share Subscriber does not equal the result of the following formula:

$$\frac{A}{B}$$

Where:

A = the aggregate Fair Market Value of each Class B Preferred Share Consideration transferred to the Corporation, such Fair Market Value for a particular Class B Preferred Share Consideration transferred to the Corporation shall be determined at the time of such transfer, as consideration for all of the Class B Preferred Shares which have been issued by the Corporation, as finally determined by such taxing authority or by adjudication (after the expiration or waiver of all rights of appeal with respect to such final determination or adjudication); and

B = the number of Class B Preferred Shares which have been issued by the Corporation as consideration for the Class B Preferred Share Consideration, notwithstanding that such Class B Preferred Shares may not be issued and outstanding at the time that this adjustment clause is implemented;

then the Class B Preferred Share Redemption Price for the Class B Preferred Shares shall be changed, effective as of the date on which the Class B Preferred Shares were issued by the Corporation, so that such change in the Class B Preferred Share Redemption Price will cause the Fair Market Value of the Class B Preferred Subject Share to be equal to the result of the above formula; and all necessary payments or repayments as may be required in order to give effect to such change in respect of any redemption or purchase for cancellation, return of paid-up capital and/or contributed surplus or payment of a dividend effected prior to such final determination or adjudication in respect of the Class B Preferred Shares shall be made by the Corporation or the holder of such Class B Preferred Subject Share, as the case may be, effective as of the time it was so redeemed, purchased for cancellation, or in respect of which a dividend was paid or paid-up capital or contributed surplus, as the case may be, was returned.

2.6 Restriction on Dividends: Dividends shall not be declared or paid on the Class A Common Shares, the Class B Common Shares or shares of any other class of shares outstanding from time to time if the effect would be to prevent the Corporation from redeeming each of its Class B Preferred Shares for its Class B Preferred Share Redemption Price.

2.7 Retraction of the Class B Preferred Shares: Subject to the provisions of the Act, every registered holder of a Class B Preferred Share may, at his option and in the manner hereinafter provided, require the Corporation to retract at any time all or any part of the Class B Preferred Shares held by such holder upon payment for each share to be redeemed the Class B Preferred Share Redemption Price together with any declared, but unpaid, dividends thereon.

In the case of the retraction of the Class B Preferred Shares under the provisions of this Section, the holder thereof shall surrender the certificate or certificates representing such Class B Preferred Shares at the registered office of the Corporation accompanied by a notice in writing (a "Class B Preferred Share Retraction Notice") signed by such holder requiring the Corporation to retract all or a specified number of the Class B Preferred Shares represented thereby. As soon as practicable following receipt of a Class B Preferred Share Retraction Notice, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the Class B Preferred Shares to be retracted the Class B Preferred Share Redemption Price thereof together with any declared, but unpaid, dividends thereon. If only a part of the Class B Preferred Shares represented by any certificate are redeemed a new certificate for the balance shall be issued at the expense of the Corporation.

2.8 Alteration of Rights: The provisions herein may be repealed, altered, modified, amended or amplified only with the approval of a special resolution (as defined in the Act) of the holders of the shares in the capital of the Corporation entitled to vote thereon and the approval of a special resolution (as defined in the Act) of the holders of the Class B Preferred Shares voting separately as a class.

2.9 Priority: With respect to priorities on the payment on a Final Distribution, the Class B Preferred Shares shall rank before the Class A Common Shares and the Class B Common Shares and *pari passu* with the Class A Preferred Shares and before the shares of any other class ranking by their terms junior to the Class B Preferred Shares.

2.10 Ownership of Class B Preferred Shares: The Class B Preferred Shares shall be owned by a natural person.

## SCHEDULE 2

4. The Shares of the Corporation shall not be transferred without the prior approval of the Board of Directors.

## SCHEDULE 3

7. (a) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder;

(b) Any invitation to the public to subscribe for shares, debentures or debenture stock of the Corporation is prohibited;

(c) The Corporation shall have a lien on Shares of a holder who is indebted to the Corporation in respect of any such debt due the Corporation;

(d) All of the directors of the Corporation shall be medical practitioners licensed under the *Medical Act (2005)*, SNL 2005 c.M-4.01, and there shall be no agreement that restricts the powers of the directors of the Corporation to manage the business and affairs of the Corporation in relation to the practice of medicine; and

(e) All of the persons who will be practising medicine as employees of or on behalf of the Corporation shall be medical practitioners licensed under the *Medical Act (2005)*, SNL 2005 c. M-4.01.