

## **GENERAL BY-LAWS**

### **BY-LAW NO. 1-2009**

A by-law relating generally to the transaction of the business and affairs of Xebec Adsorption Inc. (hereinafter referred to as the "Corporation").

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BE IT ENACTED as a by-law of the Corporation as follows:

#### **1. INTERPRETATION**

##### **1.1 Definitions - In the by-laws of the Corporation, unless the context otherwise requires:**

"Act" means the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44, as amended or reenacted from time to time, and every statute that may be substituted therefor and, in the case of such substitution, any references in the by-laws to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;

"appoint" includes "elect" and vice versa;

"articles" means the articles attached to the certificate of incorporation or amalgamation of the Corporation as from time to time amended or restated;

“board” means the board of directors of the Corporation;

“by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“cheque” includes a draft drawn upon a Canadian chartered bank;

“meeting of shareholders” includes an annual meeting of shareholders and a special meeting of shareholders;

“non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada) as amended or re-enacted from time to time;

“recorded address” means in the case of a shareholder his address as recorded in the securities register of the Corporation or its transfer agent; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation;

“signing officer” means, in relation to any instrument, any person authorized, to sign the same on behalf of the Corporation by or pursuant to section 2.5;

“special business” transacted or to be transacted at a special meeting of shareholders means all business transacted or to be transacted at such special meeting and “special business” transacted or to be transacted at an annual meeting of shareholders means all business transacted or to be transacted at such annual meeting, except consideration of the financial statements and the report of the auditors thereon, the election of directors and reappointment of the incumbent auditor; and

“special meeting of shareholders” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

**1.2 Interpretation** - Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein. Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator, and personal representative. Wherever reference is made in this or any other by-law or in any special resolution of the Corporation to any statute or section thereof, such reference shall be deemed to extend and refer to any amendment to or re-enactment of such statute or section, as the case may be.

**1.3 Headings** - The headings herein are inserted for convenience of reference only and shall not affect the construction or interpretation of the provisions hereof.

## **2. GENERAL**

**2.1 Registered Office** - The registered office of the Corporation shall be situated in the province from time to time specified in the articles, and at such location therein as is initially specified in the notice of registered office filed with the articles, and thereafter as the board may from time to time determine.

**2.2 Corporate Seal** - The Corporation may, but need not, adopt a corporate seal, which may from time to time be changed by the board.

**2.3 Financial Year** - The board may fix the financial year of the Corporation, and the board may from time to time change the financial year of the Corporation.

**2.4 Banking Arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other persons as the board may appoint from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf under such agreements, instruments and delegations of power as the board may from time to time determine.

### **2.5 Execution of Documents**

- (a) The board may from time to time determine which directors, officers or other persons may sign in writing any contracts, documents or other instruments requiring execution by the Corporation, and may establish any procedures as it deems necessary to determine how such contracts, documents or other instruments are to be approved prior to execution as provided for herein. Notwithstanding the foregoing, the board may from time to time by resolution appoint any director or directors, officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or other instruments in writing generally or to sign a specific contract, document or other instrument in writing.
- (b) Subject to the board resolving otherwise, any person who executes a contract, document or other instrument on behalf of the Corporation as provided for in section 2.5(a), or the solicitor for the Corporation, may affix the seal, if any, of the Corporation to any contract, document or instrument in writing which has been executed in accordance with section 2.5(a) and may certify a copy of a resolution, by-law, contract, document or instrument in writing of the Corporation to be a true copy thereof.
- (c) The term "contract, document or other instrument in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money, conveyances, transfers and assignments of shares, instruments of proxy, stocks, bonds, debentures or other securities and all paper writings.

- (d) Subject to the provisions of section 10.3 hereof, the signature of any person executing a contract, document or other instrument on behalf of the Corporation, may, if specifically authorized by the board, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or other instruments in writing or bonds, debentures or other securities of the Corporation on which, the signature or signatures of any of the foregoing officers or persons shall be so reproduced, by authorization by the board, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid as if they had been signed manually and notwithstanding that the officers or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or other instruments in writing or bonds, debentures or other securities of the Corporation.

**2.6 Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **3. BORROWING AND SECURITIES**

**3.1 Borrowing Power** - Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, guarantee or otherwise on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

**3.2 Delegation** - Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by section 3.1 to such extent and in such manner as the board may determine at the time of such delegation.

**3.3 Terms of Issuance of Debt Obligations** - Any bonds, debentures or other debt obligations of the Corporation may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of shareholders, appointment of directors or otherwise and may by their terms be assignable free from any equities between the Corporation and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

#### **4. DIRECTORS**

**4.1 General** - The board shall manage, or supervise the management, of the business and affairs of the Corporation.

**4.2 Qualification** - No person shall be qualified to act as a director of the Corporation if he is less than 18 years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, is a person who is not an individual or has the status of a bankrupt. A director need not be a shareholder. Unless otherwise provided for in the Act, at least 25% of the directors shall be resident Canadians, or if the number of directors is less than four, at least one director shall be a resident Canadian.

**4.3 Number of Directors** - The number of directors within the stipulated range of the minimum and maximum number of directors, if a minimum and maximum number of directors is provided for in the articles, shall be determined from time to time by the board.

**4.4 Quorum of Directors** - Subject to section 5.4, the quorum necessary for the transaction of business at a meeting of the board may be determined by the board, and if not determined shall be at least 50% of the number of directors in office at that time (or, if that is a fraction, the next largest whole number of directors). Where there is a vacancy on the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. The quorum has to be maintained for the entire duration of the meeting.

**4.5 Election and Term** - The election of directors shall take place at each annual meeting of shareholders and all the directors then in office whose terms have expired shall retire but, if qualified, shall be eligible for re-election. The directors shall be elected to hold office for a term or terms expiring not later than the close of the next annual meeting of shareholders following their election or until their successors shall have been duly elected or appointed. The number of directors to be elected at any such meeting shall be the number of directors then in office, unless the number is otherwise determined. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may at the meeting at which they adopt

the amendment, elect by ordinary resolution the additional number of directors authorized by the amendment. If directors are not elected at a meeting of shareholders the incumbent directors shall continue in office until their successors are elected.

**4.6 Ceasing to Hold Office** - A director shall cease to hold office when he dies or resigns, is removed in accordance with the provisions of the Act, becomes of unsound mind and is so found by a court in Canada or elsewhere or attains the status of bankrupt.

**4.7 Resignation** - A director may resign his office as a director by sending to the Corporation his written resignation, which resignation shall become effective at the later of the time such resignation is sent to the Corporation or the time (if any) specified in such resignation.

**4.8 Removal of Directors** - Subject to the Act, the shareholders may by ordinary resolution passed at a meeting specially called for such purpose remove any director from office. The vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

**4.9 Vacancies**

- (a) Subject to the provisions of the Act and the articles, a quorum of the directors may appoint a person to fill any vacancy on the board except a vacancy:
  - (i) resulting from an increase in the number or the minimum or maximum number of directors; or
  - (ii) resulting from a failure by the shareholders to elect the number or minimum number of directors provided for in the articles.
- (b) A director elected or appointed to fill a vacancy on the board shall hold office for the unexpired term of his predecessor.
- (c) If there is not a quorum of directors in office or if the shareholders fail to elect the number or minimum number of directors provided for in the articles, the directors then in office shall without delay call a special meeting of shareholders to fill the vacancy or vacancies, and if such directors fail to call the special meeting of shareholders or if there are no directors then in office, any shareholder may call the meeting.

**4.10 Appointment of Additional Directors** - If the articles of the Corporation so provide, the directors may, within the maximum number permitted by the articles, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

**4.11 Remuneration of Directors** - Subject to the articles, directors may be paid such remuneration and reimbursement of such out-of-pocket expenses incurred in the performance of their duties as a director as the board shall from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Corporation or who serves the

Corporation in a professional capacity shall be in addition to his salary as such officer or employee or to his professional fees.

## **5. MEETINGS OF DIRECTORS**

**5.1 Calling of Meetings** - Meetings of the board shall be held from time to time at such time and at such place as the chairman of the board, the president, a vice-president or any two directors may determine and the secretary shall give notice of meetings when directed by the person or persons calling such meeting.

### **5.2 Notice of Meetings**

- (a) Notice of the time and place of any meeting of the board shall be given in accordance with the terms of section 13 hereof to each director not less than 48 hours (excluding non-business days) before the meeting is to take place.
- (b) Notice of an adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting are announced at the original meeting.
- (c) A meeting of the board may be held at any time without formal notice if all the directors, in any manner, waive notice or signify their consent to the meeting being held without formal notice. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director either before or after such meeting. Attendance of a director at a meeting of directors is a waiver of notice of the meeting except where the director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called.
- (d) A notice of a meeting of the board need not specify the purpose or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.
- (e) No notice of the first meeting of the board of directors to be held immediately following the election of directors by the shareholders or for a meeting of the board at which a director is appointed to fill a vacancy shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided that a quorum of directors is present.

**5.3 Place of Meetings**- Meetings of the board may be held at any place in or outside Canada.

**5.4 Canadian Directors Present at Meetings** - Unless otherwise provided for in the Act, the directors shall not transact business at a meeting of directors, other than filling a vacancy in the board, unless at least 25% of the directors present are resident Canadians, or if the Corporation has fewer than four directors, at least one of the directors present is a resident Canadian, except where:

- (a) a resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic, or other communication facility, the business transacted at the meeting; and
- (b) the required number of resident Canadians would have been present had that director been present at the meeting.

**5.5 Regular Meetings** - The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and no other notice shall be required for any such regular meeting except where the Act requires the purpose of or the business to be transacted at the meeting to be specified.

**5.6 Meetings by Telephone or Electronic Means** - A director may, if all the directors of the Corporation consent, participate in a meeting of the board or of any committee of the directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in a meeting in accordance with this paragraph shall be deemed to be present at the meeting, shall be counted in the quorum and shall be entitled to speak and vote. Any such consent shall be effective whether given before or after the meeting in which it relates and may be given with respect to all meetings of the board and of committees of the board.

**5.7 Chairman** - The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board or president or vice president (in order of seniority). If no such officer is present, the directors present shall choose one of their number to be chairman.

**5.8 Secretary** - The Secretary of the Corporation shall act as secretary at any meeting of the board and, if the Secretary of the Corporation is absent, the chairman of the meeting shall appoint a person who need not be a director to act as secretary of the meeting.

**5.9 Votes To Govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote. Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chairperson of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**5.10 Resolution in Lieu of Meeting** - Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors or committee of directors (if any) is as valid as if it had been passed at a meeting of directors or such committee of directors.

**5.11 Submissions to Shareholders for Approval** - The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of the Act, any such contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at



any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

## **6. COMMITTEES**

**6.1 Committees of the Board** - The board may appoint from their number one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

**6.2 Advisory Bodies** - The board may from time to time appoint such advisory bodies as it may deem advisable.

**6.3 Provisions Applicable** - The following provisions shall apply to any committees and advisory bodies appointed by the board:

- (a) unless otherwise provided for by the board, each member of a committee shall continue to be a member thereof until the expiration of his term of office as a director; and
- (b) unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and secretary and to regulate its procedure.

## **7. OFFICERS**

**7.1 Appointing Officers** - Subject to the articles, the board may from time to time appoint a chairman of the board, a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer (Chief Financial Officer), a controller and any other officers as it may determine, including one or more assistants to any of the officers so appointed. A person may hold more than one office. Except for the chairman of the board, the officers so appointed need not be directors.

**7.2 Terms of Employment** - The board may from time to time settle the terms of employment of the officers appointed by it and may remove at its pleasure any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until a successor is appointed or until the officer resigns.

**7.3 Powers and Duties** - Subject to the articles, the board or (except for those powers and duties which only may be specified by the board) the president may specify the duties of each officer, delegate to him specific powers to manage the business and affairs of the Corporation (including the power to sub-delegate) and from time to time vary, add to or limit such powers and duties, all insofar as not prohibited by the Act. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs.

**7.4 Agents and Attorney** - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit and as could be given to the officers of the Corporation in accordance with the foregoing.

## **8. PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**8.1 Limitation of Liability** - Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, and without limiting any defences available to a director or an officer under the Act or otherwise, no director or officer shall be liable for the acts, receipts, failures, neglects or defaults of any other director, officer, or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof. So long as he is not in breach of any applicable statute, no person referred to in this paragraph shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation.

**8.2 Indemnity of Directors and Officers** – Subject to the limitation contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation:

- (a) Shall indemnify each director or officer or former director or officer and each other individual who acts or has acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided:
  - (i) the individual acted honestly and in good faith with a view to the best interest of the Corporation or, as the case may be, to the best interests of the other entity; and
  - (ii) in case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful; and

- (b) shall at his request advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to hereinabove in accordance with the Act.

Notwithstanding the foregoing, any such indemnity or advance of monies in respect of an action hereinabove referred to by or on behalf of the Corporation or other entity to procure judgment in its favour shall be subject to approval of a court.

**8.3 Insurance** - Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person referred to in section 8.2 hereof as the board may from time to time determine.

## **9. INTEREST OF DIRECTORS IN CONTRACTS**

**9.1 Disclosure of Interest of Director or Officer** - A director or officer of the Corporation shall disclose to the Corporation, in the manner and to the extent provided by the Act, any interest that such director or officer has in a material contract or material transaction, whether made or proposed, with the Corporation, if such director or officer:

- (a) is a party to the contract or transaction;
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

Such director or officer shall not vote on any resolution to approve such contract or transaction except as provided by the Act. He shall leave the meeting while the board discusses and votes on the contract or transaction concerned.

## **10. SHARES**

**10.1 Issuance and Allotment of Shares** - Subject to the provisions of the Act and the articles, the board may from time to time issue and allot or otherwise dispose of shares of the Corporation, or grant options to purchase or otherwise deal in the whole or any part of the authorized but unissued shares of the Corporation, at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid for as provided by the Act.

**10.2 Commissions** - The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

**10.3 Share Certificates** - Every shareholder is entitled to a share certificate or a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number, class and series designation, if any, of shares held by him as appearing in the records of the Corporation or its transfer agent. Share certificates shall be in such form or forms as the board shall

from time to time approve. Subject to section 2.5, share certificates shall be signed by at least one of the following persons:

- (a) a director or officer of the Corporation;
- (b) a registrar, transfer agent or branch transfer agent of the Corporation, or an individual on their behalf; or
- (c) a trustee who certifies it in accordance with a trust indenture.

The signature of any such persons may be printed or otherwise mechanically reproduced on the share certificate. Share certificates executed as aforesaid shall be valid notwithstanding that such persons whose signature (whether manual, mechanical or facsimile) appears thereon no longer holds office at the date of issue or delivery of the certificate. Share certificates may, but need not, be under corporate seal.

**10.4 Transfer Agent** - The board may from time to time appoint or remove one or more registrars and transfer agents to keep the securities register, appoint or remove one or more branch transfer agents to keep branch securities registers and provide for the transfer of securities in one or more places.

**10.5 Registration of Transfer** - No transfer of shares need be registered in the securities register except upon presentation of the certificate representing such shares endorsed by an appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, upon compliance with such restrictions on transfer, if any, as are authorized by the articles, upon payment of all applicable taxes and any reasonable fees prescribed by the board, upon satisfaction of any debt for which the Corporation has a lien on the shares and upon compliance with all other conditions set out in the Act.

**10.6 Lien for Indebtedness** - If the articles so provide, when a shareholder is indebted to the Corporation, the Corporation shall have a lien on shares registered in the name of such shareholder or his personal representative to the extent of the debt, and the right of the Corporation to the lien shall be noted conspicuously on every share certificate. Subject to any other provision of the articles, the Corporation may enforce such lien without notice or liability by disposing of or cancelling without repayment any such shares, refusing to register their transfer or setting off or recovering any dividends, distributions or capital repayments due thereon, or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity.

**10.7 Non-recognition of Trusts** - Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the share and otherwise to exercise all the rights and powers of an owner of the share. The Corporation may, however, treat as the registered shareholder any of the following persons who furnishes appropriate evidence to the Corporation establishing his authority to exercise the rights relating to a share of the Corporation:

- (a) a heir of a deceased shareholder, or a personal representative of the heirs, or a personal representative of the estate of a deceased shareholder;

- (b) a personal representative of a registered shareholder who is an infant, an incompetent person or a missing person; or
- (c) a liquidator of, or a trustee in bankruptcy for, a registered shareholder.

**10.8 Joint Holders** - If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

**10.9 Deceased Shareholders** - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

**10.10 Replacement of Share Certificates** - The board or any officer or agent designated by the board may at its or his discretion direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

## **11. DIVIDENDS AND RIGHTS**

**11.1 Dividends** - Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

**11.2 Dividend Cheques** - Unless otherwise declared by the board, a dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

**11.3 Non-receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

**11.4 Record Date for Dividends and Rights** - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining shareholders entitled:

(a) to receive payment of a dividend; or (b) for any other purpose; and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If no date is so fixed, the record date for the determination of the shareholders entitled to receive payment of any dividend or for such other purpose shall be at the close of business on the day on which the directors pass the resolution relating thereto.

11.5 **Unclaimed Dividends** - Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## 12. MEETINGS OF SHAREHOLDERS

12.1 **Annual Meeting** - Subject to the Act, the board shall call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting, but not later than six months after the end of the Corporation's preceding financial year. Subject to section 12.3 the annual meeting of shareholders shall be held at such place as the board may determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

12.2 **Special Meetings** - The board shall have the power to call special meetings of shareholders at such time and place as the board may determine which meeting may be held in conjunction with an annual meeting of shareholders.

12.3 **Place of Meeting** - Meetings of shareholder shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situated or, if the board shall so determine, at some other place in Canada or at a place outside Canada specified in the articles.

12.4 **Participation in Meeting by Electronic Means** - Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

12.5 **Meetings Held by Electronic Means** - If the directors or the shareholders call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

12.6 **Record Date for Notice** - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders: (a) entitled to receive notice of a meeting of shareholders; (b) entitled to vote at a meeting of shareholders; or (c) for any other purpose; and notice of any such record date shall be given within the prescribed period, in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of

business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

**12.7 Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 13 no less than 21 days and no more than 60 days before the meeting to each director, to the auditor of the Corporation, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholders to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

**12.8 List of Shareholders Entitled to Notice** - For every meeting of shareholders, the Corporation or its transfer agent shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 12.6, the list shall be prepared not later than 10 days after such record date, and the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held and the list shall be prepared on such date. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of shareholders.

**12.9 Waiver of Notice** - A shareholder or any other person entitled to attend a meeting of shareholders may waive the notice of a meeting of the shareholders prior to, during or after the holding of such meeting. His sole attendance at a meeting is a waiver except where he attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**12.10 Chair, Secretary and Scrutineers** - The chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chairman of the board, president or a vice president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint another person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by ordinary resolution or by the chair with the consent of the meeting.

**12.11 Persons Entitled to be Present** - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act

or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

**12.12 Quorum** - Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person or by proxy, and holding or representing by proxy, not less than 5% of the shares entitled to vote at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If at the opening of the meeting a quorum is not present, the meeting, if convened by a requisition of members, shall be dissolved. In any other case, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business, and the shareholders personally present or represented by proxy at the adjourned meeting shall constitute a quorum.

**12.13 Right to Vote** - Every person named in the list referred to in section 12.8 shall be entitled to vote the shares shown thereon opposite his name at the meeting to which such list relates except to the extent that:

- (a) where the Corporation has fixed a record date in respect of such meeting, such person has transferred any of his shares after such record date, or where the Corporation has not fixed a record date in respect of such meeting, such person has transferred any of his shares after the date on which such list is prepared; and
- (b) the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list. In any such excepted case the transferee shall be entitled to vote the transferred shares at such meeting.

**12.14 Proxies** - Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by instrument in writing appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act as such shareholder's representative at such meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. Such proxy shall be in writing executed by the shareholder or the shareholder's attorney, authorized in writing, or if the shareholder is a body corporate, under the hand of an officer or attorney thereof duly authorized. In addition to the requirements of the Act, a proxy shall be in such form as the directors may from time to time prescribe or in such other form as the chair of the meeting may accept.

**12.15 Time for Deposit of Proxies** - The board may specify in the notice calling the meeting a time, not exceeding 48 hours (excluding non-business days), preceding the meeting, or an adjournment thereof, before which proxies must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been so deposited or received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed in the same manner as a proxy and deposited either at the registered office of the Corporation at any



time up to and including the last business day preceding the date of the meeting, or an adjournment thereof, or with the chair of such meeting, or an adjournment thereof, on the day of the meeting before any vote is cast under its authority.

**12.16 Joint Shareholders** - If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

**12.17 Votes to Govern** - At a meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

**12.18 Show of Hands** - Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, and unless a ballot thereon is required or demanded as hereinafter provided, upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. Any vote referred to in this section 12.18 may be held, in accordance with the Act, partly or entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility. Any person participating in a meeting of shareholders under sections 12.4 and 12.5 and is entitled to vote at that meeting may vote, in accordance with the Act, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

**12.19 Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

**12.20 Resolution need not be seconded** - No resolution proposed at a meeting need be seconded and the chair of any meeting (provided he is entitled to vote) shall be entitled to move or second a resolution without relinquishing the chair.

**12.21 Adjournment** - The chair at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest

meeting that it is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

**12.22 Action in Writing by Shareholders** - A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

### **13. NOTICES**

**13.1 Method of Giving Notices** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor, member of a committee of the board or member of an advisory body shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid mail or if sent to him at such recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered for dispatch. A notice so delivered shall be deemed to be received when it is personally delivered; a notice so mailed shall be deemed to be received at the time it would be delivered in the ordinary course of mail, unless there are reasonable ground for believing it was not received at all, and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been received on the day it is transmitted. Such notice may also be sent by e-mail to each director having consented thereto, at the e-mail address provided therefore to the Corporation. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

**13.2 Notice to Joint Shareholders** - If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

**13.3 Computation of Time** - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

**13.4 Impossibility to Give Notice** - If any notice given to a shareholder pursuant to section 13.1 is returned on two consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address. In the event that it is impossible or impracticable for any reason whatsoever to give notice as otherwise permitted under the Act, a notice may be given by advertisement, published once in a newspaper in such cities or places as the board may determine.


**13.5 Omission and Errors** - The accidental failure to give, deliver or send any notice to any person entitled thereto or the non-receipt of any notice by any such person or any irregularity or error in such notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**13.6 Unregistered Shareholders** - Every person who becomes entitled to any share by any means whatsoever shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority of his entitlement prescribed by the Act.

**13.7 Waiver of Notice** - Any shareholder, proxyholder, director, officer, auditor, member of a committee of the board, member of an advisory body or any other person entitled to receive notice of a meeting of shareholders or any other notice from the Corporation, may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the regulations thereunder, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of shareholders, a committee of the board or an advisory body, which may be given in any manner.

**14. REPEAL AND EFFECTIVE DATE**

**14.1 Effective Date** – Upon the date of this By-Law becoming effective, former By-Law No. 1 shall be repealed.

  
\_\_\_\_\_  
President / Secretary

Confirmed by the Shareholders of the Corporation in accordance with the Act the 13th day of May, 2010.

  
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President / Secretary