DOREL INDUSTRIES INC. / LES INDUSTRIES DOREL INC.

BY-LAW NO. 2015-1

A by-law relating to the management of the affairs of Dorel Industries Inc. / Les Industries Dorel Inc. (hereinafter called the “Corporation”), a corporation subject to the Business Corporations Act (Québec).

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the Corporation:

INTERPRETATION

1. Interpretation – Unless otherwise provided, the terms and expressions used in this by-law have the respective meanings ascribed to them in the Business Corporations Act (Québec) (R.S.Q., chapter S-31.1) (hereinafter defined as the “Act”) or the Interpretation Act (Québec) (R.S.Q., chapter I-16).

DIRECTORS

2. Number and Qualification – A board of directors of the Corporation (the “Board of Directors”) shall be elected annually. Subject to the provisions of the Act and the articles of the Corporation (the “Articles”), the number of directors to be elected will be determined from time to time by resolution of the Board of Directors.

An individual who is elected or appointed to hold office as a director is not a director and is deemed not to have been elected or appointed to hold office as a director unless:

(1) such individual did not decline to hold office as a director if such individual was present at the meeting when the election or appointment took place; or

(2) if such individual was not present at the meeting at which the election or appointment took place, such individual either consented to hold office as a director in writing before the election or appointment or within ten days after it, or such individual acted as a director pursuant to the election or appointment.

3. Vacancies – Subject to the provisions of the Act and the Articles, any vacancy occurring on the Board of Directors may be filled by the directors for the balance of the unexpired term.

4. Additional Directors – If the Articles so provide, the Board of Directors may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual shareholders meeting.

5. Removal of Directors – Subject to the provisions of the Act and the Articles, the shareholders of the Corporation may, at a special shareholders meeting called for that
purpose, by ordinary resolution remove any director before the expiration of such director’s term of office and may, at the same meeting, by ordinary resolution appoint another person in his or her place and stead. In the event that the shareholders do not so replace the removed director, the vacancy may be filled at a subsequent meeting of the Board of Directors. The person so appointed shall hold office for the unexpired term of his or her predecessor.

6. **Voting** – Subject to the provisions of the Act, voting for the election of directors of the Corporation is conducted by a show of hands unless a ballot is demanded by a shareholder entitled to vote. A shareholder may demand a ballot either before or after a vote by show of hands. In addition, a vote may be held by any means of communication made available by the Corporation.

7. **Committees of Directors** – The Board of Directors may create one or more committees made up of directors and, subject to the provisions of the Act, delegate to such committee or committees any of the powers of the directors.

8. **Remuneration** – The Board of Directors shall determine the remuneration of the Corporation’s directors and officers.

9. **Irregularity** – Notwithstanding any subsequent discovery of an irregularity in the election of the Board of Directors or in the election or appointment of a director, or the absence or loss of eligibility thereof, acts regularly done by them shall be as valid and as binding on the Corporation as if the election had been regular or each person eligible.

**MEETINGS OF THE BOARD OF DIRECTORS**

10. **Meetings of the Board of Directors** – Meetings of the Board of Directors may be held at any time upon the call of the Chairperson of the Board of Directors or, if none has been appointed, the President of the Corporation, a vice-president of the Corporation who is a director or upon the call of any two (2) directors. The Chairperson of the Board of Directors or, if none has been appointed, the President of the Corporation, shall be bound to call meetings of the Board of Directors on requisition of a majority of the directors and if he or she fails to do so within 24 hours from receipt of such requisition, any of such requisitioning directors may convene a meeting of the Board of Directors.

11. **Place of Board of Directors Meetings** – Meetings of the Board of Directors shall be held at the head office of the Corporation or such other places as determined by the Board of Directors from time to time.

12. **Participation by Communication Facility** – The directors may, if all directors consent, participate in a meeting of the Board of Directors or of a committee of directors by means of a telephonic, electronic or other communications equipment enabling all participants to communicate directly with one another during the meeting, and any director participating in such a meeting by such means is deemed to be present at the meeting.
MEETINGS OF SHAREHOLDERS

13. **Annual Meeting** – An annual meeting of shareholders entitled to vote at such a meeting shall be held not later than 15 months after the last preceding annual shareholders meeting.

The annual shareholders meeting shall be held at a place within Québec determined by the Board of Directors or, if the Articles so allow, at a place outside Québec determined by the Board of Directors, on such date as may be fixed from time to time by resolution of the Board of Directors, to receive the financial statements of the Corporation and the report of the auditor, if any, to elect directors and to appoint the auditor.

Immediately after the annual shareholders meeting, such members of the Board of Directors as are then present, provided they shall constitute a quorum, shall meet without further notice for the appointment of officers and the transaction of such other business of the Corporation as may properly come before the meeting.

14. **Shareholders Meetings** – An annual shareholders meeting and special shareholders meetings may be called at any time:

(1) by resolution of the Board of Directors; or

(2) by written requisition to the Board of Directors by the holders of not less than 10% of the issued shares that carry the right to vote at a shareholders meeting sought to be held and setting out the business to be transacted at the proposed shareholders meeting, the whole in accordance with the provisions of the Act, which requisition must be signed by at least one shareholder.

Upon receiving the requisition, the Board of Directors shall call a shareholders meeting to transact the business stated in the requisition. If the Board of Directors does not within 21 days after receiving the requisition call a meeting, any shareholder who signed the requisition may call the meeting, the whole in accordance with the provisions of the Act.

Special shareholders meetings shall be held at a place within Québec determined by the Board of Directors or, if the Articles so allow, at a place outside Québec determined by the Board of Directors.

15. **Holding of and Participation in Meetings** – Shareholders meetings may be held, in accordance with the provisions of the Act, solely by means of telephonic, electronic or other communications equipment enabling all participants to communicate directly with one another during the meeting.

Any person entitled to attend a shareholders meeting may participate in the meeting, in accordance with the provisions of the Act, by means of telephonic, electronic or other communications equipment enabling all participants to communicate directly with one another during the meeting. A person participating in such a meeting by such means is deemed to be present at the meeting.
16. **Voting and Procedure at Shareholders Meetings** – Subject to any provisions to the contrary contained in the Articles, each shareholder is entitled to as many votes as he or she holds shares in the Corporation that carry voting rights. Unless otherwise provided in the Act, any question submitted to a shareholders meeting shall be decided by ordinary resolution. In the case of a tie vote, the Chairperson of the meeting shall not have a casting vote.

Subject to the provisions of the Act, voting is conducted by a show of hands, unless a ballot is demanded by a shareholder entitled to vote at the shareholders meeting. A shareholder may demand a ballot either before or after a vote by show of hands. However, the vote may be held, in accordance with the provisions of the Act, solely by means of telephonic, electronic or other communications equipment, if the Corporation makes available such communications equipment.

Any shareholder participating in a shareholders meeting by means of telephonic, electronic or other communications equipment enabling all participants to communicate directly with one another may vote by any means:

1. enabling votes to be cast in a way that allows them to be verified afterwards; and

2. which protects the secrecy of the vote when a ballot has been requested.

The Chairperson at any meeting of shareholders may appoint one or more scrutineers (who may but need not be directors, officers, employees or shareholders of the Corporation), who shall act in accordance with the Chairperson’s directives.

The Chairperson of any shareholders meeting shall conduct the meeting and the procedure thereat in all respects. The Chairperson shall ensure the orderly conduct of the meeting and, in the absence of any evidence to the contrary, the Chairperson’s decision on all matters, including those with respect to the validity of proxies, shall be conclusive and binding upon all the shareholders. A declaration by the Chairperson at any shareholders meeting that a resolution has been carried or defeated is, in the absence of evidence to the contrary, proof of that fact without it being necessary to prove the number or proportion of the votes recorded for or against the resolution.

The Corporation must, for at least three months after a shareholders meeting, keep at its head office the ballots cast and the proxies presented at the meeting. Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the Corporation.

**NOTICE OF MEETINGS**

17. **Notice of Meetings** – Notice of shareholders or directors meetings specifying the place, date and hour of the meeting shall be given through the post by letter enclosed in an envelope, postage prepaid, addressed to the shareholders entitled to vote at the meeting or directors, as the case may be. Notice may also be transmitted to the shareholders entitled to vote at the meeting or to directors, as the case may be, by hand or by any means appropriate to the medium in accordance with the provisions of an Act to establish a legal
framework for information technology (Québec) (R.S.Q., chapter C-1.1). A notice of meeting shall be sent to the shareholders at their respective addresses as they appear in the books of the Corporation, or if no addresses so appear, then to such addresses as the person sending the notice may consider to be most likely to reach the shareholders.

A notice of meeting shall be sent to the directors at the latest address shown in the list of directors required to be maintained in accordance with the provisions of the Act, or to the addresses appearing in a later-written notice given to the Corporation by any director, or if there are no such addresses, then to such addresses as the person sending the notice may consider to be most likely to reach the directors.

18. **Shareholders’ Notice** – Notices of shareholders meetings must be sent not less than 21 days and not more than 60 days before the meeting. However, if the Corporation is not a “reporting issuer” within the meaning of the Act (a “Reporting Issuer”), notices may be sent not less than ten days and not more than 60 days before the meeting.

Subject to the provisions of the Act, notices of shareholders meetings must state the business on the agenda in sufficient detail to permit the shareholders to form a reasoned judgment on it, and contain the text of any special resolution to be submitted to the meeting.

19. **Directors’ Notice** – Notices of meetings of directors must be sent at least 48 hours before the meeting.

In any case of what is considered by the President or a Vice-President who is a director, in his or her discretion, to be a matter of urgency, he or she may give notice of a meeting of directors by telephone, telecopy or any other communications equipment not less than twelve hours before the meeting and such notice shall be adequate for the meeting so convened. Other than with respect to those matters specified in the Act, notices of directors meetings need not specify the business to be transacted at such meeting.

20. **Irregularities or Non-Receipt of Notice** – Irregularities in a notice or the non-receipt of any notice of meeting by any shareholder or director, if properly sent, or the accidental omission to give the said notice to any shareholder or director shall not invalidate the proceedings at any shareholders or directors meetings. A certificate of the Secretary or of any duly-authorized senior executive or officer of the Corporation or of any transfer agent or registrar of the Corporation, with respect to the mailing of any notice, shall be conclusive evidence thereof and shall be binding on every director, shareholder and the auditor or auditors of the Corporation.

21. **Waiver** – A directors or shareholders meeting may be held at any time without previous notice:

(1) if all the directors or shareholders, as the case may be, are present and do not object to such meeting, unless they attend the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called; or
(2) if all the directors or shareholders, as the case may be, waive notice in writing of the date, time, place and purpose of such meeting.

22. **Record Date** – If the Corporation is a Reporting Issuer or has 50 or more shareholders, it may fix, as specified by the Board of Directors, a record date for the purpose of determining shareholders entitled to receive notice of a shareholders meeting, receive payment of a dividend, participate in a liquidation distribution and vote at a shareholders meeting or for any other purpose.

For the purpose of determining which shareholders are entitled to receive notice of a shareholders meeting or vote at the meeting, the record date must be not less than 21 days and not more than 60 days before the meeting.

**QUORUM**

23. **Shareholders Meetings** – A quorum of shareholders is present at a shareholders meeting if, at the opening of the meeting, regardless of the actual number of persons physically present, one or more holders representing not less than 10% of the shares that carry the right to vote at the meeting are present in person or represented by proxy.

Should a quorum exist at the opening of a meeting, the shareholders present or represented by proxy may proceed with the business for which the meeting was called whether or not the quorum is maintained for the duration of the meeting.

If a quorum is not present at the opening of the meeting, the shareholders may adjourn the meeting to a specific time and place but may not transact any other business.

24. **Directors Meetings** – The quorum required for the transaction of business at directors meetings shall be a majority of the number of directors then in office, unless fixed otherwise by the directors.

**PROXIES**

25. **Proxies** – A shareholder entitled to vote at a shareholders meeting may be represented at such meeting by a proxyholder or one or more alternate proxyholders who are not required to be shareholders of the Corporation, to attend and vote at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

A proxy must be in writing and signed by the shareholder or by the shareholder’s attorney authorized in writing. Unless otherwise indicated, a proxy lapses one year after the date on which it is given.

Other than as may be set out in the Act, a proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.
ADJOURNMENTS

26. **Adjournments** – If less than a quorum be in attendance at the time for which any shareholders or directors meeting has been called, the meeting may, after the lapse of 15 minutes from the time appointed for holding the meeting, be adjourned from time to time by the shareholders or by the directors, as the case may be, for a period not exceeding 30 days in the aggregate without any notice other than by announcement at the meeting, until a quorum shall attend. If a shareholders or directors meeting, as the case may be, is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given as for an original meeting.

Any meeting at which a quorum is present may also be adjourned in like manner for such time as may be determined by vote of the shareholders or the directors, as the case may be.

At any adjourned meeting at which a quorum shall attend, any business may be transacted which might have been transacted if the meeting had been held as originally called.

COMMITTEES

27. **Executive Committee** – Subject to the Act, the Board of Directors may elect from its number an Executive Committee consisting of not less than three (3) directors and from time to time fill any vacancy occurring therein. Each member of the Executive Committee shall hold office at the pleasure of the Board of Directors. The Board of Directors may delegate to the Executive Committee any of the powers of the Board of Directors, save and except such powers as are by the Act required to be exercised by the Board of Directors itself. Unless otherwise directed by the Executive Committee, the Secretary of the Corporation shall act as Secretary of the Executive Committee.

28. **Transaction of Business** – Subject to the provisions of this Section 28, the powers of the Executive Committee shall be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of the Executive Committee who would have been entitled to vote on such resolution at a meeting of the Executive Committee. Meetings of the Executive Committee may be held at any place in or outside Canada.

29. **Standing Committees** – The Board of Directors may appoint from its number standing committees and may confer upon such committees such powers as it may legally delegate, subject to such conditions as it may prescribe.

30. **Procedure** – Unless otherwise determined by the Board of Directors, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its Chairperson and to regulate its procedure. All committees shall keep regular minutes of their transactions and shall report all such transactions to the Board of Directors at its meeting next succeeding such action and all such transactions shall be subject to revision or alteration by the Board of Directors, provided that no acts or rights of third parties shall be affected or invalidated by such revision or alteration. Meetings of any committee may be held at any place in or outside Canada.
OFFICERS OF THE CORPORATION

31. Officers of the Corporation – The Board of Directors may from time to time appoint a Chairperson of the board from among its members. The Board of Directors shall also from time to time appoint a President and a Secretary, and may from time to time appoint one or more Vice-Presidents, a Chief Financial Officer, and such other officers as it may deem necessary. Except for the Chairperson of the Board of Directors and the President, the officers of the Corporation need not be directors. One person may hold more than one office.

The Board of Directors may appoint from time to time an Assistant Secretary if deemed expedient. The Assistant Secretary may perform all the duties of the Secretary of the Corporation.

The remuneration of the officers of the Corporation and the terms and conditions of their employment shall from time to time be determined by the Board of Directors. The Board may by resolution delegate to a committee of the Board of Directors the establishment of the remuneration of such senior executives, officers and employees as it may from time to time determine. The fact that any senior executive, officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration that may be so determined.

CHAIRPERSON OF THE BOARD, PRESIDENT AND VICE-PRESIDENTS

32. Presiding – Subject to the provisions relating to the office of Chairperson of the Board of Directors hereinafter set forth, the President and in his or her absence any one of the Vice-Presidents, who is also a director of the Corporation, shall preside at all shareholders and directors meetings. If the President and Vice-Presidents, who are also directors of the Corporation, are absent or decline to act, the other directors present may choose one of their number to be Chairperson of the directors meeting. If the President and Vice-Presidents, who are also directors of the Corporation, are absent or decline to act as Chairperson of a shareholders meeting, the shareholders present choose one of their number to chair the meeting.

If a Chairperson of the Board of Directors has been appointed, the Chairperson and the President of the Corporation shall have such respective powers and duties as the Board of Directors may from time to time determine. During the absence or disability of either, the other shall assume his or her powers and duties and may delegate any or all of them to a Vice-President of the Corporation. If the Board of Directors does not determine otherwise, the President of the Corporation shall manage, or supervise the management, of the business and affairs of the Corporation, shall have power to appoint and remove any and all employees and agents of the Corporation not elected or appointed directly by the Board of Directors and to settle the terms of their employment and remuneration and shall have such other powers and duties as the Board of Directors may from time to time determine; in addition, the President of the Corporation shall sign the share certificates of the Corporation and any other documents that may require his or her signature.
33. **Chairperson’s Casting Vote** – The Chairperson so acting shall not have a casting vote in the event of a tie vote upon any questions raised at a directors meeting.

**SECRETARY AND/OR CHIEF FINANCIAL OFFICER**

34. **Secretary and/or Chief Financial Officer** - The Secretary, the Chief Financial Officer and the Assistant Secretary shall discharge their duties faithfully and may be required to give a bond for their faithful discharge as the Board of Directors shall determine. The Secretary and the Chief Financial Officer shall have the following duties allotted between them if one person does not hold both offices, with the allotment to be made at the discretion of the Board of Directors:

(1) keep the minutes of the meetings of shareholders and of the directors in books provided for that purpose;

(2) see that all notices and returns required by the Act are given and filed within the prescribed delays;

(3) see that all books, notices, returns, reports, certificates and other documents required by law are properly kept;

(4) have custody of all funds, securities, books, vouchers and papers of the Corporation, and deposit all such funds and securities in the name of the Corporation in such financial institution or other depositaries as may be selected by the Board of Directors;

(5) submit at each directors meeting a statement of income or earnings and such other information relative to the financial position of the Corporation as the Board of Directors may from time to time determine, if so required by a director;

(6) place before the directors comparative financial statements of the Corporation in accordance with the provisions of the Act at the meeting of the Board of Directors preceding the annual shareholders meeting, and such further information respecting the financial position of the Corporation and the results of its operations as the Board of Directors may require;

(7) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever;

(8) keep a register of hypothecs, mortgages and charges and enter therein all hypothecs, mortgages and charges affecting the property of the Corporation; and

(9) in general, perform all the duties incidental to the office of Secretary or Chief Financial Officer and such other duties as may be assigned to them from time to time by the Board of Directors.
**AUDITOR**

35. **Auditor** – The shareholders of the Corporation shall appoint an auditor at each annual shareholders meeting, subject to the condition that if the Corporation is not a Reporting Issuer, the shareholders may decide not to appoint an auditor. Any decision not to appoint an auditor must be made by unanimous resolution of the shareholders of the Corporation, including shareholders not otherwise entitled to vote. The decision of the shareholders not to appoint an auditor shall have effect only until the next annual shareholders meeting and shall terminate the term of an auditor then in office.

**GENERAL POWERS OF THE BOARD OF DIRECTORS**

36. **General Powers** – The Board of Directors shall manage, or supervise the management of, the business and affairs of the Corporation. The Board of Directors shall be invested with all such powers and authority as the Corporation by the Act or the Articles is authorized to exercise and do. The Board of Directors shall act by resolution.

37. **Validity** – Notwithstanding that it be afterwards discovered that there was a defect in the election of the Board of Directors or the election or appointment of any director or that a director lacks or has lost his or her qualifications, all acts thereof shall be as valid and binding upon the Corporation as if every such board or person had been duly elected or appointed and had been qualified.

38. **Information** – No director may mingle the Corporation’s property with the director’s own property or use for his or her own profit or that of a third party any property of the Corporation or any information the director obtains by reason of his or her duties, unless the director is expressly and specifically authorized to do so by the shareholders of the Corporation.

39. **Confidentiality** – Unless expressly authorized by the Board of Directors, every director of the Corporation must keep confidential all deliberations of the Board of Directors, and any document and other information relating to the Corporation to which the director may have access as a director of the Corporation that is not in the public domain or that has not been publicly disclosed by the Corporation.

40. **Contract or Transaction – Disclosure of Interest** – A director or officer of the Corporation must disclose the nature and value of any interest such director or officer has in a contract or transaction to which the Corporation is a party. “Interest” means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

A director or an officer of the Corporation must also disclose any contract or transaction to which the Corporation and any of the following are party:

(1) an associate of the director or officer of the Corporation;
(2) a group of which the director or officer of the Corporation is a director or officer; or

(3) a group in which the director or officer of the Corporation or an associate of the director or officer of the Corporation has an interest.

The director or officer will satisfy the foregoing requirement if he or she discloses, in a case specified in subparagraph 2 above, the directorship or office held within the group or, in a case specified in subparagraph 3 above, the nature and value of the interest he or she or his or her associate has in the group.

Unless it is recorded in the minutes of the first meeting of the Board of Directors at which the contract or the transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the Board of Directors as soon as the directors become aware of the interest, contract or transaction.

In the case of an officer of the Corporation who is not a director, the disclosure of interest must be made as soon as:

(1) the officer becomes an officer;

(2) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the Board of Directors; or

(3) the officer or the officer’s associate acquires an interest in the contract or transaction, if it was entered into earlier.

The disclosure of interest must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

41. Contract or Transaction – Voting – No director may vote on a resolution to approve, amend or terminate the contract or transaction described in the preceding paragraph or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction:

(1) relates primarily to the remuneration of the director or an associate of the director as a director of the Corporation or of an affiliate of the Corporation;

(2) relates primarily to the remuneration of the director or an associate of the director as an officer, employer or mandatary of the Corporation or of an affiliate of the Corporation, if the Corporation is not a Reporting Issuer;

(3) is for indemnity or liability insurance of the directors and officers of the Corporation; or

(4) is with an affiliate of the Corporation, and the sole interest of the director is as a director or officer of the affiliate.
If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present during deliberations, the other directors of the Corporation present are deemed to constitute a quorum for the purpose of voting on the resolution.

If all the directors of the Corporation are required to abstain from voting, the contract or transaction may be approved solely by the shareholders of the Corporation entitled to vote, by ordinary resolution. The disclosure of interest must be made to the shareholders of the Corporation in a sufficiently clear manner before the contract or transaction is approved.

**ISSUE OF SHARES**

42. **Issue of Shares** – Shares may be issued at the times, to the persons and for the consideration the Board of Directors determines. The Board of Directors may, by resolution, accept subscriptions and issue unissued shares of the share capital of the Corporation and instruments, certificates or other evidences of an exchange right, option or right to acquire shares of the Corporation.

43. **Payment of Shares** – Shares of the Corporation may be issued whether or not they are fully paid. However, shares may be considered paid only if consideration equal to the issue price determined by the Board of Directors has been paid to the Corporation.

Consideration for the shares issued by the Corporation is payable in money, or in property or past services determined by the Board of Directors to be the fair equivalent of the money consideration, considering all the circumstances.

A promissory note or a promise to pay made by a person to whom shares are issued, or a person who does not deal at arm’s length, within the meaning of that expression in the *Taxation Act* (Québec) (R.S.Q., chapter I-3), with a person to whom shares are issued, does not constitute consideration for the shares.

**SHARE CERTIFICATES AND TRANSFERS**

44. **Share Certificates** – Shares issued by the Corporation may be certificated shares or uncertificated shares. A certificated share is represented by a paper certificate in registered form, and an uncertificated share is represented by an entry in the securities register of the Corporation in the name of the shareholder.

Unless otherwise provided in the Articles, shares are issued as certificated shares unless the Board of Directors determines, by resolution, that the shares of any class or series of shares or certain shares of a class or series are to be issued as uncertificated shares.

The Board of Directors may also, by resolution, determine that a certificated share shall become an uncertificated share as soon as the paper certificate is surrendered to the Corporation.
Inversely, the Board of Directors may, by resolution, determine that an uncertificated share shall become a certificated share on delivery to the shareholder of a certificate in the shareholder’s name or, in the case of a control agreement under the *Act respecting the transfer of securities and the establishment of security entitlements* (Québec) (R.S.Q., chapter T-11.002), on delivery to the purchaser of a certificate in the purchaser’s name, unless there are provisions inconsistent with such an agreement, in which case those provisions apply. The Board of Directors must give notice of the resolution to the shareholders of the classes or series of shares concerned.

45. **Certificated Shares** – In the case of certificated shares, the Corporation must issue to the shareholder, without charge, a certificate in registered form. The Corporation is not required to issue more than one certificate for shares held jointly by two or more persons.

The Board of Directors shall adopt, by resolution, the form of certificate.

The certificate shall state:

(1) the name of the Corporation;
(2) that the Corporation is governed by the Act;
(3) the number of shares represented and their par value, if any;
(4) if applicable, that the shares are not fully paid;
(5) if applicable, that there are rights and restrictions attaching to the class or series of the shares represented and that the Corporation will, on request, provide the text of those rights and restrictions to the shareholder without charge;
(6) if applicable, any transfer restrictions; and
(7) if applicable, the existence of a unanimous shareholders’ agreement.

The share certificates of the Corporation must be signed by at least one of the Corporation’s directors or officers or by a person acting in their name. The signature may be affixed by an automatic device or an electronic process. Any certificate bearing the signature of an authorized person shall be deemed valid, notwithstanding the fact that the director or officer has since ceased to hold such office within the Corporation.

In the absence of any evidence to the contrary, the certificate is proof of the shareholder’s title to the shares represented by the certificate.

46. **Uncertificated Shares** – In the case of uncertificated shares, the Corporation must send to the shareholder a written notice containing the following information:

(1) the name of the Corporation;
(2) that the Corporation is governed by the Act;
the number of shares represented and their par value, if any;

if applicable, that the shares are not fully paid;

if applicable, that there are rights and restrictions attaching to the class or series of the shares represented and that the Corporation will, on request, provide the text of those rights and restrictions to the shareholder without charge;

if applicable, transfer restrictions imposed on shares; and

if applicable, the existence of a unanimous shareholders’ agreement.

47. **Damaged, Lost or Destroyed Certificate** – A damaged, lost or destroyed certificate must be replaced by the Corporation in accordance with the Act respecting the transfer of securities and the establishment of security entitlements (Québec) (R.S.Q., chapter T-11.002)

48. **Unpaid Shares** – Unless the terms of payment for shares are determined by contract, the Board of Directors may call for payment of all or part of the unpaid amounts on shares subscribed by the shareholders.

A call for payment is deemed to be made on the day on which the Board of Directors passes a resolution providing for it. Notice of the call for payment stating the amount due and the time for payment must be sent to the shareholders.

If a shareholder does not make the required payment following a call for payment, the Board of Directors may confiscate, without further formality, the shares for which payment has not been made.

If the terms of payment for shares are determined by contract, the Board of Directors may, after sending a demand letter, confiscate the shares without further formality if the shareholder who subscribed for or acquired them has failed to comply with the terms.

If the acquirer is not bound by a contract with the Corporation with respect to payment of the shares, the provisions relating to a call for payment apply to the acquirer.

The confiscation is recorded in the securities register of the Corporation.

The Board of Directors may transfer the shares so confiscated to a new acquirer, register their transfer and, if applicable, cancel their certificates whether or not the shareholder has returned the endorsed certificates to the Corporation, and issue a new certificate to the acquirer.

Within ten days after disposing of the confiscated shares, the Corporation must inform the shareholder of the proceeds obtained from the disposition and remit any surplus to the shareholder. The shareholder is liable for the unpaid balance on the shares if the proceeds of disposition do not cover the amounts payable.
A shareholder who is in arrears with respect to a call for payment or has defaulted on payment of shares in accordance with the contract between the shareholder and the Corporation may not vote at any shareholders meeting.

49. **Transfer of Shares** – Subject to the provisions of the Act, the transfer of shares is governed by the Act respecting the transfer of securities and the establishment of security entitlements (Québec) (R.S.Q., chapter T-11.002).

    Shares that are not fully paid but for which no installment is payable may be transferred only with the authorization of the Board of Directors. The directors must reasonably verify the acquirer’s ability to pay for the shares before authorizing the transfer.

    A share may not be transferred until all installments payable until up to the time of transfer have been fully paid.

**DIVIDENDS**

50. **Declaration and Payment of Dividends** – The Board of Directors may declare and the Corporation may pay a dividend either in money or property or by issuing fully-paid shares or options or rights to acquire fully-paid shares of the Corporation.

    The Board of Directors may fix a date as the record date for the purpose of determining shareholders entitled to receive dividends. As a result, only those shareholders registered on the date so fixed shall be entitled to receive dividends, regardless of any transfer of shares recorded in the registers of the Corporation between the record date and the date on which the dividend is paid.

    If shares of the Corporation are issued in payment of a dividend, the Corporation may add all or part of the value of those shares to the appropriate issued and paid-up share capital account.

    The Corporation may not declare and pay a dividend, except by issuing shares or options or rights to acquire shares, if there are reasonable grounds for believing that the Corporation is, or would after the payment be, unable to pay its liabilities as they become due.

    The Corporation may deduct from the dividends payable to the shareholder any amount due to the Corporation by the shareholder, on account of calls for payment or otherwise.

**CHEQUES**

51. **Cheques** – All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued, accepted or endorsed in the name of the Corporation shall be signed by such officer or officers, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.
DECLARATIONS AND EXECUTION OF INSTRUMENTS

52. **Declarations** – Any officer of the Corporation is authorized and empowered to appear and make answer for the Corporation to all writs, orders and interrogatories upon articulated facts issued out of any Court and to declare for and on behalf of the Corporation any answer to writs of attachment by way of garnishment in which the Corporation is garnishee, and to make all solemn or sworn declarations in connection therewith or in connection with any or all judicial proceedings to which the Corporation is a party and to make demands of abandonment or petitions for winding-up or bankruptcy orders upon any debtor of the Corporation and to attend and vote at all meetings of creditors of any of the Corporation’s debtors and grant proxies in connection therewith.

53. **Execution of Instruments** – Contracts, documents or other instruments in writing requiring the execution by the Corporation may be signed by any director or officer and all contracts, documents or other instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. Notwithstanding this provision, the Board of Directors is authorized from time to time, by resolution, to appoint any officer or officers, director or directors, or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

SEAL

54. **Seal** – The Corporation is not required to have a seal.

INDEMNIFICATION

55. **Indemnification** – Subject to the provisions of the Act, the Corporation must indemnify a director or officer of the Corporation, a former director or officer of the Corporation, a mandatary or any other person who acts or acted at the Corporation’s request as a director or officer of another group against all costs, charges and expenses incurred in the exercise of their functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person is involved if:

(1) the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as director or officer or in a similar capacity at the Corporation’s request; and

(2) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his or her conduct was lawful.

The Corporation must also advance moneys to such a person for the costs, charges and expenses of a proceeding referred to in the above paragraph.

In the event that a court or any other competent authority judges that the conditions set out in subparagraphs (1) and (2) above are not fulfilled, the Corporation may not
indemnify the person and the person must repay to the Corporation any moneys advanced.

Furthermore, the Corporation may not indemnify a person referred to in this paragraph if the court determines that the person has committed an intentional or gross fault. In such a case, the person must repay to the Corporation any moneys advanced.

**RESOLUTIONS AND BY-LAWS**

56. **Resolutions and By-laws** – All by-laws and resolutions of directors or shareholders of the Corporation shall be passed at duly-convened meetings. Nevertheless, the signature of all the directors or shareholders of the Corporation, as the case may be, to any resolution or by-law which might be adopted by the Board of Directors or the shareholders, as the case may be, shall give to such resolution or by-law the same force and effect as if the same had been unanimously adopted by all the directors or shareholders, respectively, at a meeting duly called for the purpose of considering the same.

The Board of Directors may from time to time repeal, amend or re-enact the by-laws of the Corporation, and shall submit the same to the shareholders at the next shareholders meeting, the whole in accordance with the provisions of the Act.

**FISCAL YEAR**

57. **Fiscal Year** – The fiscal year end of the Corporation shall be determined by resolution of the Board of Directors.

**EFFECTIVE DATE**

58. **Effective Date** – This By-law is effective as of the date of the resolution of the Board of Directors of the Corporation, that is, April 23, 2015, with the exception of the provisions relating to procedural matters with respect to shareholders meetings, which shall take effect only once they have received the approval of the Corporation’s shareholders. As a result, the general by-laws in force prior to the date of such resolution of the Board of Directors, that is, “By-Law No. 24”, shall be repealed on the date of the resolution of the Board of Directors, with the exception of the provisions relating to procedural matters with respect to shareholders meetings, which shall be revoked on the date of approval of this By-Law by the Corporation’s shareholders. This repeal shall not affect any past application of the general by-laws, nor affect the validity of steps taken, resolutions adopted, or rights, privileges or obligations stemming from the general by-laws prior to said repeal, nor of any contract entered into or commitment made under the former general by-laws.
ADOPTED by the Board of Directors on the 23rd day of April, 2015.

(signed) Martin Schwartz
Martin Schwartz
President and Chief Executive Officer

(signed) Jeffrey Schwartz
Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary