

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF MAPLE BANK GmbH

**AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, c. W.-11, AS AMENDED**

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, c. B. 46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GmbH

Respondent

**SUPPLEMENTARY MOTION RECORD
(Returnable November 25, 2016)**

Date: November 24, 2016

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of the business in Canada of Maple Bank GmbH and
its assets.

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

AMENDED NOTICE OF MOTION

KPMG Inc., in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) in respect of the winding up of the business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”) and its assets (the “**Assets**”) as defined in section 618 of the *Bank Act* (the “**Bank Act**”) will make a Motion to Regional Senior Justice Morawetz, on Friday, November 25, 2016 at 9:30 a.m. or as soon after that time as the motion can be heard, at 361 University Avenue, Toronto, Ontario.

THE PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Schedule “A” to this Notice of Motion (the “**Distribution / Additional Claims Order**”):
 - (i.) if required, abridging the time for service of the Notice of Motion and the Motion Record and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
 - (ii.) approving the Third Report of the Liquidator dated June 2, 2016 (the “**Third Report**”) and the Ninth Report of the Liquidator dated November 16, 2016 (the “**Ninth Report**”) and the activities of the Liquidator as set out in the Third Report and the Ninth Report;
 - (iii.) authorizing and directing the Liquidator to make a distribution, in full, to creditors of Maple Bank, Toronto Branch (the “**Toronto Branch**”) with Proven Claims (that have been allowed in whole or in part), inclusive of statutory interest in the amount of 5% (the “**Distribution**”) in accordance with section 158.1(2) of the *Winding-Up and Restructuring Act* (“**WURA**”) on, or after December 19, 2016 (the “**Distribution Date**”);
 - (iv.) approving the notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Distribution by the Distribution Date substantially in the form of the notice attached as Schedule “A” to the Distribution / Additional Claims Order;
 - (v.) setting January 25, 2017 as the claims bar date (the “**Principal Claims Bar Date**”) for any Claim against the Principal (as defined below) of the Toronto Branch that relate to amounts for which the Principal may in law be liable to pay in such capacity that arose prior to the Winding-Up Date including, without limitation any claims

against the Principal in his capacity as an officer and director of any of the Affiliates (as defined below) that arose prior to the Winding-Up Date;

- (vi.) approving the notice to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Principal Claims Bar Date, substantially in the form of the notice attached as Schedule “**B**” to the Distribution / Additional Claims Order;
- (vii.) approving the receipts and disbursements of the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
- (viii.) such other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE

Background

- 2. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Ninth Report and the Supplemental Report to the Ninth Report dated November 24, 2016 (the “**Supplemental Report**”).
- 3. Maple Bank is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the Bank Act. As a German bank, Maple Bank is subject to regulation in Germany by the Federal Financial Supervisory Authority (“**BaFin**”). As an authorized foreign bank under the Bank Act, Maple Bank is regulated with respect to its business in Canada by the Office of the Superintendent of Financial Institutions;
- 4. On February 6, 2016, BaFin issued a moratorium on Maple Bank’s business activities by reason of over-indebtedness, required Maple Bank to cease business and then instituted insolvency proceedings in Germany to appoint an insolvency administrator;
- 5. On February 16, 2016, upon application by the Attorney General of Canada, the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) issued a winding-up order (the “**Winding-Up Order**”), winding-up the Business of Maple Bank and appointing KPMG as Liquidator of the Business and Assets pursuant to the WURA;

The Distribution

6. On June 8, 2016, this Court issued the Claims Procedure Order approving a claims procedure (the “**Claims Procedure**”) to be used as part of these WURA proceedings;
7. Pursuant to the Claims Procedure, creditors were provided in excess of 90 days to file their Claims with the Liquidator. It has now been in excess of five months since the Claims Procedure was commenced. As of the date of this Notice of Motion, there is relative certainty that the total universe of claims has been identified;
8. Reasonable reserves (collectively, the “**Claims Reserves**”) will be established to provide for: (i) Claims that have been filed but not yet proven/accepted (“**Unproven Claims**”); and (ii) possible future Claims, including interest thereon until distributions are made in respect of these Claims;
9. The Liquidator recommends that the Court approve the Distribution on the basis *inter alia* that: (i) the Asset realization process is substantially complete and the Liquidator is holding cash or equivalents in excess of \$1.5 billion; (ii) the reserve for Future Potential Claims is considerable at \$50 million; and (iii) pursuant to the WURA, interest is accruing on Claims at 5% per annum, which is significant given the value of certain of the largest Claims and the corresponding current low interest rate environment;

The Principal Claims Bar Date

10. The Liquidator has held discussions with Mr. Paul Lishman (the “**Principal**”), the former principal officer of the Toronto Branch and his counsel;
11. The Principal has filed a Proof of Claim in the Toronto Branch Estate that includes a contingent component (the “**Principal Contingent Claim**”) relating to an implied common law indemnity provided by the Toronto Branch in connection with his role with the Toronto Branch, as well as his roles as a director and/or officer of certain related and affiliated corporations to the Toronto Branch, more specifically, Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, Maple Partners America Inc., Maple Financial US Holdings Inc (collectively, the “**Affiliates**”);

12. These discussions included a review of possible alternatives which might expeditiously resolve the Principal Contingent Claim, and also allow for an eventual further and timely distribution to the stakeholders of the Toronto Branch under these proceedings;
13. The alternative which is now proposed to address the Principal Contingent Claim, in addition to advancing the complete adjudication of the Principal's Proof of Claim under the operation of the Claims Procedure, is the implementation of the Principal Claims Bar Date. As described in the Supplemental Report, the Liquidator is of view that this approach will facilitate the expeditious winding-up of the Toronto Branch Estate;

Miscellaneous

14. Sections 35, 74, 75, 76, 158.1 of the WURA;
15. Rules 1.04, 1.05, 2.03, 3.02(1), 16 and 37 of the *Rules of Civil Procedure*;
16. The Claims Procedure Order;
17. The Winding-Up Order; and
18. Such further and other grounds as counsel may advise and the Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Third Report, the Ninth Report and the Supplemental Report; and
2. Such further and other documentary evidence as counsel may advise and the Court may accept.

November 24, 2016

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Lawyers for KPMG Inc., in its capacity as
Liquidator of the business in Canada of Maple
Bank GmbH and its assets.

TO: **SERVICE LIST**

TAB 1A

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE REGIONAL) FRIDAY, THE 25th
SENIOR JUSTICE MORAWETZ)
) DAY OF NOVEMBER , 2016

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

DISTRIBUTION / ADDITIONAL CLAIMS ORDER

THIS MOTION, made by KPMG Inc. (“**KPMG**”), in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) pursuant to the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11. as amended (“**WURA**”) of the business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”) and its assets as defined in section 618 of the *Bank Act*, S.C. 1991, C.46, as amended (the “**Bank Act**”) for an order:

- (a) abridging the time for service of the amended Notice of Motion and the Motion Record, herein, if required, and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
- (b) approving the Third Report of the Liquidator dated June 2, 2016 (the “**Third Report**”) and the Ninth Report of the Liquidator dated November 16, 2016 (the “**Ninth Report**”) and the activities of the Liquidator as set out in the Third Report and the Ninth Report;
- (c) authorizing and directing the Liquidator to make a distribution, in full, to creditors of Maple Bank, Toronto Branch (the “**Toronto Branch**”) with Proven Claims (that have been allowed in whole or in part), inclusive of statutory interest in the amount of 5% per annum in accordance with section 158.1(2) of the WURA (the “**Distribution**”) on, or after December 19, 2016 (the “**Distribution Date**”);
- (d) approving the notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Distribution by the Distribution Date substantially in the form of the notice attached as Schedule “A”, hereto (the “**Distribution Notice**”);
- (e) setting January 25, 2017 as the Principal Claims Bar Date (as defined below) for any Claim against the principal officer of the Toronto Branch (the “**Principal**”) that relate to amounts for which the Principal may in law be liable to pay in such capacity that arose prior to February 16, 2016 (the “**Winding-Up Date**”) including, without limitation any claims against the Principal in his capacity as an officer and director of any of the Affiliates (as defined below) that arose prior to the Winding-Up Date;
- (f) approving the notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Principal Claims Bar Date, substantially in the

form of the notice attached as Schedule “B”, hereto (the "**Principal Claims Bar Notice**");

- (g) approving the Receipts and Disbursements (“**R&D**”) for the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
- (h) such further relief as may be required in the circumstances and which this Court deems as just and equitable,

was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Ninth Report and the Supplemental Report to the Ninth Report dated November 24, 2016 and on hearing the submissions of counsel for the Liquidator and counsel for the GIA and no one else appearing although served as evidenced by the Affidavits of Service of Frances Dunne sworn November 17, 2016 and November ■, 2016, filed,

Service / Approval of the Activities of Liquidator

1. **THIS COURT ORDERS** that all defined terms used herein, not otherwise defined shall have the meaning attributed to them in the Claims Procedure Order.
2. **THIS COURT ORDERS**, that the time for service of the amended Notice of Motion and the Motion Record is validated so that the Motion is properly returnable today and hereby dispenses with further service thereof, including without limitation, any prescribed notice requirements under the WURA.
3. **THIS COURT ORDERS** that the Third Report and the Ninth Report and the activities of the Liquidator as set out in the Third Report and the Ninth Report be and are hereby approved.

Approval of the Distribution

4. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to make the Distribution to creditors of the Toronto Branch with Proven Claims (that have been allowed in whole or in part), inclusive of statutory interest in the amount of 5% per annum in accordance with section 158.1(2) of the WURA, on, or after the Distribution Date.

5. **THIS COURT ORDERS** that the Distribution Notice and Principal Claims Bar Notice be and are hereby approved.

PRINCIPAL CLAIMS BAR DATE

6. **THIS COURT ORDERS** that the Principal Claims Bar Notice shall, *inter alia*, provide notice to all Persons with a Claim against the Principal of the Toronto Branch that relate to amounts for which the Principal may in law be liable to pay in such capacity and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in the Principal's capacity as an officer and director of Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, Maple Partners America Inc., and Maple Financial US Holdings Inc. (collectively the "Affiliates") that arose prior to the Winding-Up Date that such persons shall file a Proof of Claim with the Liquidator **by 4:00p.m. Eastern Time on January 25, 2017** (the "**Principal Claims Bar Date**").

7. **THIS COURT ORDERS** that any Person with a Claim against the Principal of the Toronto Branch that relates to amounts for which the Principal may be liable to pay and that arose prior to the Winding-Up Date including in the Principal's capacity as an officer and director of the Affiliates that arose prior to the Winding-Up Date that does not file a Proof of Claim with the Liquidator, such that such Proof of Claim is received by the Liquidator on or before the Principal Claim Bar Date shall be and is hereby forever barred from making or enforcing any Claim against the Principal.

Approval of the Liquidator's R&D

8. **THIS COURT ORDERS** that the R&D for the Toronto Branch for the period from February 16, 2016 to October 31, 2016 be and is hereby approved.

General

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

Schedule "A"

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as "Maple Bank")**

**RE: NOTICE OF FIRST DISTRIBUTION FOR MAPLE BANK PURSUANT TO THE
WINDING-UP AND RESTRUCTURING ACT (the "WURA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 25, 2016 (the "**Distribution / Additional Claims Order**"). The Distribution / Additional Claims Order provides for the approval of a first distribution to Maple Bank's creditors who have submitted a proof of claim that has been accepted and admitted by the Liquidator; on or after December 19, 2016 (the "**Distribution Date**"). This notice is provided to advise all creditors of Maple Bank of the distribution on or after the Distribution Date and to request that any creditor that has not yet filed a proof of claim with the Liquidator to do so forthwith to ensure that their claim is submitted to the Liquidator **PRIOR TO THE DISTRIBUTION DATE** for consideration by the Liquidator. Creditors who have already submitted a Proof of Claim are **NOT** required to re-submit a Proof of Claim as a result of this notice. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777- 3091, by fax (416) 777-3364 or by email (svendedic@kpmg.ca).

Proofs of Claim must be submitted to the Liquidator **by 4:00p.m. Eastern Time on December 16, 2016** for any claim against (a) Maple Bank, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose on or prior to February 16, 2016 (the "**Winding-Up Date**"), or (ii) arose after the Winding-Up Date as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement. Please consult the Proof of Claim package for more details.

TAKE NOTE THAT FAILURE TO SEND IN A PROOF OF CLAIM BY 4:00 P.M. EASTERN TIME ON DECEMBER 16, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE WITHOUT REGARD TO ANY CLAIM NOT SUBMITTED BY THAT DATE.

Completed Proofs of Claim must be received by the Liquidator by 4:00 p.m. (Eastern Time) on December 16, 2016. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this _____ day of _____, 2016.

KPMG Inc. in its capacity as Court-appointed
Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600

Toronto, ON M5H 2S5, Canada

Attention: Sven Dedic: svendedic@kpmg.ca

Fax: (416) 777-3364

Phone: (416) 777-3091

Schedule "B"

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as "Maple Bank")**

**RE: NOTICE OF PRINCIPAL CLAIMS BAR DATE IN RESPECT OF CLAIMS
ASSERTED AGAINST PRINCIPAL OF MAPLE BANK**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 25, 2016 (the "**Distribution / Additional Claims Order**"). The Distribution / Additional Claims Order provides that Proofs of Claim must be submitted to the Liquidator **by 4:00p.m. Eastern Time on January 25, 2017** (the "**Principal Claims Bar Date**") for any claim against the principal officer (the "**Principal**") of Maple Bank that relate to amounts for which the Principal may in law be liable to pay in such capacity and that arose prior to the Winding-Up Date including claims against the Principal in his capacity as a director and officer of **Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, Maple Partners America Inc., and Maple Financial US Holdings Inc.** that arose prior to the Winding-Up Date. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777-3091, by fax (416) 777-3364 or by email (svnededic@kpmg.ca).

TAKE NOTE THAT CLAIMS IN RESPECT OF THE PRINCIPAL (AS OUTLINED ABOVE) WHICH ARE NOT RECEIVED BY THE PRINCIPAL CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Completed Proofs of Claim in respect of claims against the Principal (as outlined above) must be received by the Liquidator by 4:00 p.m. (Eastern Time) on January 25, 2017. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this _____ day of _____, 2016.

KPMG Inc. in its capacity as Court-appointed
Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5, Canada

Attention: Sven Dedic: svnededic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

ATTORNEY GENERAL OF CANADA – Applicant

- and -

Court File No.: CV-16-11290-00CL

MAPLE BANK GmbH., – Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

(PROCEEDING COMMENCED AT TORONTO, ONTARIO)

DISTRIBUTION / ADDITIONAL CLAIMS ORDER

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Lawyers for KPMG Inc. in its capacity as the Court-appointed
Liquidator of the business in Canada of Maple Bank GmbH
and its assets as defined in section 618 of the *Bank Act*.

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-
11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

Court File No. CV-16-11290-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

AMENDED NOTICE OF MOTION

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Lawyers for KPMG Inc., in its capacity as Liquidator of
the business in Canada of Maple Bank GmbH and its
assets.

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

SUPPLEMENTAL REPORT TO THE
NINTH REPORT OF KPMG INC. IN ITS CAPACITY AS
COURT APPOINTED LIQUIDATOR OF THE BUSINESS IN CANADA OF MAPLE BANK
GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE *BANK ACT*

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Appendix B	Tab 8 from Proof of Claim of Mr. Lishman
Appendix C	Proposed Principal Claims Bar Notice
Appendix D	The Amended Distribution Notice

1. INTRODUCTION AND PURPOSE OF THE SUPPLEMENT TO THE NINTH REPORT

BACKGROUND

1. This report is a supplemental (the “**Supplemental Report**”) to the ninth report to the Court of the Liquidator of the Toronto Branch of Maple Bank GmbH (the “**Ninth Report**”), and is being provided to the Court further to the hearing with respect to the relief sought by the Liquidator in this matter on November 18, 2016 (the “**Relief**”), and the relief now sought by the Liquidator on November 25, 2016 (the “**Amended Relief**”).
2. Background to the Relief, along with other information is set out in the Ninth Report (attached as **Appendix A**).

TERMS OF REFERENCE AND DISCLAIMER

3. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
4. The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.
5. Capitalized terms not defined in the Supplemental Report are as defined in either the Winding-Up Order and/or the First Report through Ninth Report. Unless

otherwise indicated, all references to monetary amounts herein are denominated in Canadian dollars (“CAD”).

6. Copies of the Liquidator’s Court reports and all motion records and Orders in these proceedings are available on the Liquidator’s website at <http://www.kpmg.com/ca/maplebank>.

PURPOSE OF THE SUPPLEMENT

7. The purpose of the Supplemental Report is to:
 - i. Provide an update regarding the Liquidators activities since November 18, 2016; and
 - ii. Request the Amended Relief, namely:
 - i. An order approving:
 1. A first distribution to creditors with Proven Claims that have been allowed in whole or in part) (the “**First Distribution**”) such First Distribution to be made as soon as possible and within two days following December 19, 2016 (the “**Distribution Date**”) in the full amount of such proven Claims as at the Distribution Date, inclusive of statutory interest in the amount of 5% per annum in accordance with section 158.1(2) of the Winding-Up and Restructuring Act;
 2. The amended proposed notice to be provided to creditors of the Toronto Branch prior to making the Distribution (the “**Amended Distribution Notice**”), to be placed in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* (the “**Newspapers**”) as soon as practicable, giving notice of the Distribution;
 3. A further notice to creditors of the Toronto Branch, Maple Bank and certain entities related to Maple Bank in

connection with possible Claims against individuals who were both a Principal Officer of the Toronto Branch and also a director and/or officer of certain related and affiliated entities of Maple Bank (as listed and described further herein), (the “**Principal Claims Bar Notice**”), to be placed in the Newspapers as soon as practicable. In addition, the Liquidator is also requesting that a bar date be approved with respect to such Claims (the “**Principal Claims**”) of January 25, 2017 (the “**Principal Claims Bar Date**”), such bar date to be included in the Principal Claims Bar Notice; and,

4. Approving the Receipts and Disbursements for the Toronto Branch for the period from February 16, 2016 to October 31, 2016 (as set out in the Ninth Report); and
5. Approving the activities of the Liquidator since the filing of the Third Report, up to and including the Ninth Report, including the activities of the Liquidator as described in the Third Report.

2. LIQUIDATOR'S ACTIVITIES SINCE NOVEMBER 18, 2016

8. The following activities were undertaken by the Liquidator since November 18, 2016:
 - i. Together with its investment advisor, the Liquidator facilitated certain foreign currency transactions, with input from the GDPF and GIA, in order to reduce the FX Risk of the GDPF, which actions which were approved by this Court in its order dated November 18, 2016 (the “**November 18 Order**”). The GIA has elected not to have any foreign currency transactions carried out to date;
 - ii. The Liquidator met or held conversations with all former employees of the Toronto Branch and a number of other creditors to further its review of the respective Proofs of Claim of those parties, and to further understand the claimants’ concerns with the Relief. These meetings included those parties who sought the adjournment of the Relief on November 18, 2016;
 - iii. In connection with (i.) above, the Liquidator has sought further clarifications and supporting information for certain of the Proofs of Claim, in some cases from the claimants and in other cases from the records of the Toronto Branch. Where possible, the Liquidator has advised certain claimants (mainly the former Toronto Branch employees) of its position regarding all or some components of their Proofs of Claim;
 - iv. The Liquidator has held discussions with Mr. Paul Lishman (“**Lishman**”), a former employee and the Principal Officer of the Toronto Branch appointed under the *Bank Act* and his counsel. Lishman has filed a Proof of Claim in the Claims Procedure that includes a contingent component relating to contribution and indemnity from the Toronto Branch in connection with his employment and his Principal Officer role with the Toronto Branch including with respect to his role as a director and/or officer of certain related and affiliated corporations to Maple Bank (the “**Lishman**”).

Contingent Claim”). These discussions included a review of possible alternatives which might expeditiously resolve or determine the extent of the Lishman Contingent Claim, and also allow for an eventual further and timely distribution to the stakeholders of the Toronto Branch under these proceedings. The alternative which has been proposed to address the Lishman Contingent Claim, in addition to advancing a future adjudication of Lishman’s Proof of Claim pursuant to the Claims Procedure, is the Principal Claims Bar Notice and Principal Claims Bar Date proposed in the Amended Relief. Further information regarding the Lishman Contingent Claim is provided further in this report; and

- v. The Liquidator has held further discussions with a number of claimants and the GIA regarding the Amended Relief.

3. THE LISHMAN CONTINGENT CLAIM

9. As stated above, the Lishman Proof of Claim asserted the Lishman Contingent Claim. Accompanying the Lishman Proof of Claim is a letter from Lishman’s counsel, Thornton Grout Finnigan LLP, (the “**TGF Letter**”) particularizing the Lishman Contingent Claim, which is attached as **Appendix B**. As set out in the TGF Letter, the Lishman Contingent Claim relates to all amounts for contribution, indemnity, reimbursement, costs and any other relief arising out of, or on account of any claims made against Lishman due to, or connected with his roles as Principal Officer of the Toronto Branch or as a director and/or officer of the Maple Affiliates (defined below), known or unknown. The list of potential liabilities is listed in the TGF Letter. The entities aside from the Toronto Branch that are listed are those where Lishman has held director and/or officer capacities and are listed in the TGF Letter and below:

- i. Maple Financial Group Inc.;
- ii. Maple Futures Corp.;
- iii. Maple Holdings Canada Limited;
- iv. Maple Securities Canada Limited;
- v. Maple Trade Finance Inc.;
- vi. Maple Securities U.S.A. Inc.;
- vii. Maple Arbitrage Inc.;
- viii. Maple Partners America Inc.;
- ix. Maple Trade Finance Corp.;
- x. Maple Commercial Finance Corp.;
- xi. MFG Guarantee Committee;
- xii. MFG Executive Committee; and/or

- xiii. any other affiliate or related entity of the Toronto Branch or the above-listed entities, in Canada or elsewhere.

(together, the “**Maple Affiliates**”)

10. In discussions with Lishman and his counsel immediately following the November 18th Court attendance, with regard to the substance and merits of the Lishman Contingent Claim, the Liquidator learned that, in addition to the potential contingent claims relating to Lishman’s roles at the Maple Affiliates, a significant unknown component of the Lishman Contingent Claim was in respect of any claims that the GIA on behalf of Maple Bank GmbH, Frankfurt might assert against him as the Principal Officer of the Toronto Branch. Accordingly, since Lishman asserts that he has a right to contribution and indemnity from the Toronto Branch with regard to any liabilities that he may be exposed to on account of him being an employee and being the Principal Officer of the Toronto Branch, that indemnity from the Toronto Branch would only be of value to him if there remained assets in Canada to satisfy the Lishman Contingent Claims once determined.
11. After discussions regarding the Lishman Contingent Claim with Lishman and his counsel, and after further discussions with the GIA, the Liquidator is recommending that the Principals Claim Bar Notice in the form as presented in **Appendix C**, be published in the Newspapers with the proposed Principals Claims Bar Date. The Liquidator is proposing this resolution mechanic in order to determine the extent of the Lishman Contingent Claim, and facilitate future distributions to stakeholders.
12. The Liquidator understands that the GIA may be making separate submissions in respect of the Lishman Contingent Claim.

1. THE AMENDED NOTICE AND PROPOSED DISTRIBUTION

Amended Notice

13. As referred to above, the Liquidator is proposing the Amended Distribution Notice, substantially in the form as attached as **Appendix D**. With the approval of the Distribution and Amended Distribution Notice by the Court, the Liquidator will publish the Amended Distribution Notice in the Newspapers as soon as practicable. The Amended Distribution Notice period is proposed to end on December 19, 2016.

Proposed Distribution

14. The Ninth Report set out a proposed distribution to creditors with Proven Claims and the GIA, and included a reserve for Proofs of Claim that have yet to be resolved at the claimants filed amounts, plus a contingency of \$50 million, plus accrued interest under WURA at 5% per annum for a future period ended March 31, 2018.
15. Certain claimants in these proceedings have voiced their concern over the originally proposed distribution for reasons which include the following:
 - i. In their view, all creditors in the Canadian liquidation proceedings should receive full distributions plus interest prior to the GIA receiving any distribution in respect what they view as a subordinate estate interest *vis a vis* regular unsecured creditors;
 - ii. The Lishman Contingent Claim is difficult to determine in terms of quantum at this time, unless there is a claims process that will provide more certainty as to a final determination of such claim; and
 - iii. Creditors would like to see an expeditious resolution of all Proofs of Claim.

16. Those who have provided their input in respect of the Distribution, including all three parties which sought an adjournment of the Relief on November 18, 2016, to date have not indicated that they would opposed to the Distribution, which provides for a payout of all Claims which are Proven Claims, or that will be proven on or before the Distribution Date. In addition to the above, and in order to facilitate the Distribution to Creditors with Proven Claims, in full, (or claims that have been allowed in whole, or in part) with accrued interest to the Distribution Date, the GIA has agreed to permanently cap the GIA Claim at an amount which results in the Toronto Branch having assets in excess of its liabilities available for distribution to Canadian creditors with proven Claims.
17. Therefore, the Liquidator is proposing the Distribution be made to all Creditors with Proven Claims, whose Claims have been allowed, in whole or in part, on or before December 19, 2016. As of November 24, 2016, the proven Claims in the estate, by general Claim category, are summarized below:

Maple Bank GmbH, Toronto Branch Claims Admitted by the Liquidator As at November 24, 2016 CAD Millions	
Creditor	Claim (\$) ⁽¹⁾
Secured Claims - Office of the Superintendent of Financial Institutions	\$ 0.1
GIA ⁽²⁾	-
German Depositors	686.1
Vendors	0.2
Canada Revenue Agency	-
Employee	-
Non-vendor	-
Related Party	-
Total Proven Claims	\$ 686.4

⁽¹⁾ Other than the claim of the Office of the Superintendent of Financial Institutions, all Proofs of Claim are unsecured.

18. The Liquidator, after discussing this matter in detail with various stakeholders, is of the view that the Distribution is proper under the circumstances, and notes that the estimated remaining estate funds, subject to the proving of further Claims, will be in excess of \$818 million inclusive of cash which is held in the U.S., and which

is subject to a Stipulation with the GIA, as approved by the U.S. Bankruptcy Court, in the order of \$111.2 million. The Principal Claims Bar Notice and the Principal Claims Bar Date, if approved, should result in the Liquidator being in a position to make timely further distributions to Creditors with Proven Claims (including Claims that have been allowed in whole or in part) of the Toronto Branch, including the GIA. In addition, the Amended Notice period will afford the Liquidator and Creditor with an opportunity to further resolve outstanding Claims issues and thereby result resulting in a timely release of monies to those Creditors with Proven Claims (that have been allowed in whole or in part) by the Distribution Date.

19. In connection with the proposed Distribution, the Liquidator has also considered the following:
 - i. Paying out all Proven Claims plus interest at the end of the Amended Notice period will result in a cessation of interest accruing on those Proven Claims, which will be for the benefit of the GIA and all creditors with unproven Claims;
 - ii. The Distribution is proposed to be made with in accordance with the time periods set out in the Amended Notice. If additional Proofs of Claim are received, which are of concern to the Liquidator, the Liquidator will re-attend before the Court in order to seek directions;
 - iii. The Liquidator contacted the Office of the Superintendent of Financial Institutions (“OSFI”) in order to determine if OSFI was prepared to consent to a distribution to the GIA pursuant to s. 158.2 of WURA. OSFI was not prepared to provide its consent under s. 158.2, but advised that it would not object to the proposed distribution under s. 158.1 (2) of WURA to the GIA;
 - iv. Aspects of the Contingent Claim, as previously described are new. In response, the Liquidator has proposed the Claims process,

as described above, in order to deal with and bring more certainty to the Lishman Contingent Claim, which neither the Liquidator or Lishman have been able to value, at this time. The Claims Procedure, through the Principal Claims Bar Notice and the Principal Claims Bar Date, should serve to bring more certainty to the Lishman Contingent Claim in a relatively short period of time (i.e. 60 days);

2. LIQUIDATOR'S RECOMMENDATIONS

20. The Liquidator submits this Supplemental Report to the Court in support of the Liquidator's Motion for the Amended Relief as set out in the Notice of Motion dated November 24, 2016 and recommends that the Court grant an Order to:
 - i. Approve the Distribution;
 - ii. Approve the Amended Distribution Notice;
 - iii. Approve the Principal Claims Bar Notice and the Principal Claims Bar Date;
 - iv. Approve the Receipts and Disbursements of the Toronto Branch for the period from February 16, 2016 to October 31, 2016 (as set out in the Ninth Report); and
 - v. Approve the activities of the Liquidator since the filing of the Third Report, along with the activities of the Liquidator as described in the Third Report.

All of which is respectfully submitted at Toronto, Ontario this 24th day of November, 2016.

KPMG Inc., in its capacity as Court Appointed Liquidator of the Business in Canada of Maple Bank GmbH and its Assets as defined in Section 618 of the *Bank Act*

A handwritten signature in black ink, appearing to read "P. Reynolds", written in a cursive style.

Per: _____
Philip Reynolds
Senior Vice President

TAB 2A

Court File No. CV-16-11290-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

NINTH REPORT OF KPMG INC. IN ITS CAPACITY AS
COURT APPOINTED LIQUIDATOR OF THE BUSINESS IN CANADA OF MAPLE BANK
GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE *BANK ACT*

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Appendix A	Winding-Up Order dated February 16, 2016
Appendix B	Claims Procedure Order dated June 8, 2016
Appendix C	Third Report of the Liquidator dated June 2, 2016 (without appendices)
Appendix D	Copy of draft notice to creditors of the Interim Distribution

1. INTRODUCTION AND PURPOSE OF THE NINTH REPORT

BACKGROUND

1. Maple Bank GmbH (“**Maple Bank**”) is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the *Bank Act* (an “**Authorized Foreign Bank**”). In Germany, Maple Bank is subject to regulation by the Federal Financial Supervisory Authority (“**BaFin**”). As an Authorized Foreign Bank, Maple Bank was regulated with respect to its business in Canada (the “**Toronto Branch**”) by the Office of the Superintendent of Financial Institutions (“**OSFI**”).
2. As more fully described in the Liquidator’s first report to this Court dated March 2, 2016 (the “**First Report**”), in the period leading up to the commencement of the *Winding Up and Restructuring Act* (“**WURA**”) proceeding, the Toronto Branch had three major lines of business: (i) the origination and securitization of real property mortgages in Canada; (ii) structured secured lending; and (iii) security financing transactions (collectively, the “**Business**”).
3. The emergence of significant German tax claims against Maple Bank and the resulting indebtedness of Maple Bank led to:
 - i. BaFin imposing a moratorium on Maple Bank’s business activities, which caused Maple Bank to cease business and institute insolvency proceedings in Germany (the “**Moratorium**”);
 - ii. The appointment of a German insolvency administrator (the “**GIA**”) over Maple Bank GmbH (the “**German Estate**”);
 - iii. The issuance of default notices and the termination of agreements by financial institutions that were counterparties to financial contracts (primarily swaps and hedging instruments) with the Toronto Branch in respect of their dealings with Maple Bank’s business in Canada;

- iv. Canada Mortgage and Housing Corporation (“**CMHC**”), after the issuance of a default notice to Maple Bank, taking control of the Mortgage Backed Securities (“**MBS**”) business of the Toronto Branch and the corresponding mortgage pools (totaling approximately \$3.5 billion); and
 - v. OSFI issuing orders under section 619 of the *Bank Act* for the taking of control of the assets of Maple Bank in respect of the Business.
4. The events described above prompted OSFI to request that the Attorney General of Canada seek a winding-up order pursuant to section 10.1 of the WURA in respect of the Business in Canada of Maple Bank. On February 16, 2016 (the “**Liquidation Date**”), this Court granted an order (the “**Winding-Up Order**”) to, among other things, (i) wind-up the Business; and (ii) appoint KPMG Inc. (“**KPMG**”) as liquidator (the “**Liquidator**”) of the Business and of the assets of Maple Bank as defined in section 618 of the *Bank Act* (the “**Assets**”). Attached as **Appendix A** is a copy of the Winding-Up Order.
5. On March 2, 2016, the Liquidator filed its First Report to the Court which, among other things, outlined the protocol that was agreed to between the Liquidator and the GIA regarding the existing Chapter 15 filing under the *United States Bankruptcy Code* made by the GIA with regard to Maple Bank’s non-Toronto Branch assets in the U.S. and the Assets of the Toronto Branch which reside in the U.S.
6. On March 30, 2016, the Liquidator filed its Second Report to the Court which provided: (i) an update on the actions of the Liquidator since the granting of the Winding-Up Order; (ii) an update on the Assets and liabilities of the Toronto Branch; and (iii) details of a proposed marketing process to identify a successor issuer to the Toronto Branch’s MBS program and for the sale of all or a portion of certain other Assets (the “**Marketing Process**”).
7. On June 2, 2016, the Liquidator filed its Third Report to the Court which provided information in respect of: (i) an update on the actions of the Liquidator since the issuance of the Second Report; (ii) an update on the status of the Marketing Process; (iii) a proposed claims procedure (the “**Claims Procedure**”) for use in

these proceedings, including the appointment of a Claims Officer (as defined in the Claims Procedure Order); (iv) the proposed appointment of Independent Cost Counsel (as defined in the Third Report) to review and report to the Court on the fees and disbursements of the Liquidator and its counsel; and (v) the statement of receipts and disbursements of the Toronto Branch for the period February 16 to May 13, 2016.

8. On June 17, 2016, the Liquidator filed its Fourth Report to the Court which provided information regarding the sale by the Liquidator of certain un-pooled insured residential mortgages to the originators of those mortgages; myNext Mortgage Premier Trust and Xceed Mortgage Corporation.
9. On July 25, 2016, the Liquidator filed its Fifth Report to the Court which provided information regarding three sales transactions by the Liquidator involving certain structured loans associated with the Immigrant Investor Program (“**IIP**”), which included receivable backed notes (the “**Receivable Backed Notes**”) issued by PWM Financial Trust, CTI Capital Securities Inc. and KEB Hana Bank Canada (“**KEB**”) respectively and secured by, *inter alia*, notes issued by either Citizenship and Immigration Canada (“**CIC**”) or IQ Immigrants Investisseurs Inc. (“**IQII**”). Following the closing of these sales transactions certain unsold Receivable Backed Notes remained in the possession of the Toronto Branch (the “**Residual Receivable Backed Notes**”).
10. On September 19, 2016, the Liquidator filed its Sixth Report to the Court which provided information regarding the selection by CMHC of Equitable Bank (“**Equitable**”) as the Successor Issuer for the Toronto Branch’s *National Housing Act* (“**NHA**”) MBS Program and the resulting acquisition and assumption by Equitable of all of the Toronto Branch’s rights and obligations under the CMHC NHA MBS Guide and NHA MBS Program with respect to the NHA MBS originally issued by the Toronto Branch thereunder as well as the proposed sale of MBS still owned by the Toronto Branch and certain other Toronto Branch assets to Equitable (the “**Equitable Transaction**”).

11. On October 6, 2016, the Liquidator filed its Seventh Report to the Court which provided information regarding the sale to KEB of the Residual Receivable Backed Notes issued by KEB and secured by, *inter alia*, notes issued by CIC.
12. On November 15, 2016, the Liquidator filed its Eighth Report to the Court which provided information regarding the proposed settlement between the Liquidator and the Bank of Montreal of the liabilities and obligations of each of BMO and Maple Bank arising from the Repo Transaction and the early termination of the ISDA Transactions.

TERMS OF REFERENCE AND DISCLAIMER

13. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
14. The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.
15. Capitalized terms not defined in this ninth report to the Court (the “**Ninth Report**”) are as defined in either the Winding-Up Order and/or the First Report through Eighth Report. Unless otherwise indicated, all references to monetary amounts herein are denominated in Canadian dollars (“**CAD**”).

16. Copies of the Liquidator's Court reports and all motion records and Orders in these proceedings are available on the Liquidator's website at <http://www.kpmg.com/ca/maplebank>.

PURPOSE OF THE NINTH REPORT

17. The purpose of the Ninth Report is to provide information to the Court in respect of:
- i. An update on the status of the Claims Procedure implemented pursuant to the Claims Procedure Order dated June, 8 2016;
 - ii. An update on the realizations achieved by the Liquidator on the Assets of the Toronto Branch to date;
 - iii. The Liquidator's request for approval of a final distribution to creditors with proven Claims (the "**Distribution**") and an interim distribution to the German Estate of a portion of the expected total surplus funds realized from the liquidation and/or sale of the Assets and the Business of the Toronto Branch (the "**Partial Distribution**", and collectively with the Distribution, the "**Interim Distribution**");
 - iv. The proposed notice to be provided to creditors of the Toronto Branch prior to making the Interim Distribution (the "**Notice**");
 - v. The Liquidator's request for approval to convert certain amounts held by the Liquidator for the Toronto Branch, including certain funds to be distributed in accordance with the Interim Distribution, from CAD to Euros, or the purchase of an appropriate foreign exchange hedging instrument for the period of the Notice (the "**Notice Period**"); and,
 - vi. An update on the Liquidator's activities since the filing of the Third Report and to seek approval of those activities, including the activities as described in the Third Report, except for those activities related to the Marketing Process, which have been approved by the Court as the Liquidator completed various transactions as provided for in the Marketing Process.

18. The Liquidator is seeking certain relief from the Court, as follows:

An order (i) approving the Interim Distribution; (ii) approving the Notice, to be placed in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* by December 19, 2016 advising of the Interim Distribution; (iii) authorizing the Liquidator to convert certain amounts held by the Liquidator for the Toronto Branch, including the amount of the Interim Distribution, from CAD to Euros, or the purchase of an appropriate foreign exchange hedging instrument, for the Notice Period (all as further described herein); (iv) approving the Receipts and Disbursements for the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and (v) approving the activities of the Liquidator since the filing of the Third Report, including the activities of the Liquidator as described in the Third Report.

2. CLAIMS PROCEDURE UPDATE

19. The Court issued an order on June 8, 2016 (the “**Claims Procedure Order**”) approving the Claims Procedure. A copy of the Claims Procedure Order is attached hereto as **Appendix B**. The Claims Procedure was described and summarized in the Third Report, a copy of which is attached without appendices hereto as **Appendix C**.
20. The table below summarizes the activities of the Liquidator with respect to implementing the Claims Procedure and the status of those activities as of the date of this report.

Summary of Claims Procedure Activities		
Event	Date Completed	Description of Activities
Launch	June 8, 2016	<ul style="list-style-type: none"> The Claims Procedure Order was approved and issued by the Court.
Post the Claims Procedure Order on Liquidator’s website	June 15, 2016	<ul style="list-style-type: none"> The Claims Procedure Order was posted on Liquidator’s website at: http://www.kpmg.com/ca/maplebank
Mail Claims package to all known creditors	June 14, 2016	<ul style="list-style-type: none"> A Claims package was mailed to every known creditor recorded in the Toronto Branch’s records. A total of 105 Claims packages were mailed on June 14, 2016, consisting of 32 vendors, 32 contract counterparties, 21 employees and 20 German depositors.
Post notice of Claims Procedure in newspapers	June 15, 2016	<ul style="list-style-type: none"> The Liquidator posted a notice to creditors in the National Edition of <i>The Globe and Mail</i> and International Edition of <i>The Wall Street Journal</i>.
Requested date to file Claims (not a Claims bar date)	September 19, 2016 (90 calendar days from the posting of the Claims Procedure Order in newspapers date)	<ul style="list-style-type: none"> Creditors were requested to prove their Claim against Toronto Branch by delivering a completed Proof of Claim form (and supporting documentation) to the Liquidator by 4:00 p.m. EST on September 19, 2016.
Review and analysis of	Ongoing	<ul style="list-style-type: none"> Certain Proofs of Claim filed have

Summary of Claims Procedure Activities		
Event	Date Completed	Description of Activities
Claims		been admitted by the Liquidator. Certain others are the subject of ongoing review by the Liquidator and its legal counsel (as further detailed below). The GIA and its legal counsel have been provided access to the Proofs of Claim as well.

21. Pursuant to the Claims Procedure Order, the Liquidator is required to file a report with the Court detailing the nature and quantum of all Claims filed. At this time the Liquidator is able to provide a brief summary of the Claims received to date.
22. As of November 16, 2016, 56 Proofs of Claim have been filed with the Liquidator as summarized in the table below.

Maple Bank GmbH, Toronto Branch Proofs of Claim Filed with the Liquidator As at November 16, 2016 CAD Millions			
Type ⁽¹⁾	Claim (#)		Claim (\$)
GIA	1	\$	791.3
German Depositors	23		686.1
Vendors and Canada Revenue Agency	7		12.1
Employees	19		20.9
Non-vendors (contract counter parties, other)	6		59.9
Related Party	1		0.4
Total Claims Filed to Date	57	\$	1,570.7

⁽¹⁾ All Proofs of Claim are unsecured.

23. Additional information regarding the Claims received is as follows:
- i. The GIA has submitted one Proof of Claim on behalf of Maple Bank GmbH totalling \$791.3 million (the “**GIA Claim**”). The assertion made in the GIA Claim is that certain term loans, as well as other operational funding was provided to the Toronto Branch from the German head office of Maple Bank GmbH;

- ii. 23 German Depositor Claims totalling \$686.1 million relate to deposits made in the Toronto Branch prior to the Liquidation that have been assigned to the Association of German Banks' Deposit Protection Fund and the Compensation Scheme of German Private Banks (collectively the "**GDPF**");
 - iii. Seven vendor Claims totalling \$12.1 million relate to unpaid services provided to the Toronto Branch prior to Liquidation, unpaid corporate income taxes for the fiscal years ended 2010, 2013-2015 and unremitted Harmonized Sales Taxes for the years 2015 and 2016;
 - iv. 19 employee Claims totalling \$20.9 million relate to termination notice and severance pay, unpaid bonuses, out of pocket expenses due to employees prior to Liquidation, among other things;
 - v. Six non-vendor Claims totalling \$59.9 million relate primarily to a structured loan counterparty obligation and five contingent Claims filed by certain originators and servicers of the Mortgage Business and Structured Loan Portfolio. As of the date of this report, three of these parties have indicated that their claims have been satisfied as a result of the Equitable Transaction; and
 - vi. One related party Claim totalling \$0.4 million relates to a Claim from Maple Securities U.S.A. (a related party) which is claimed to have arisen as a result of a default by the Toronto Branch under a repurchase transaction.
24. The Liquidator has reviewed and continues to analyze the Proofs of Claim in accordance with its obligations pursuant to the Claims Procedure Order. As at November 16, 2016 the Liquidator has admitted and approved \$686.2 million of Claims (the "**Proven Claims**") as summarized below:

**Maple Bank GmbH, Toronto Branch
Claims Admitted by the Liquidator
As at November 16, 2016**

CAD Millions

Creditor		Claim (\$) ⁽¹⁾
GIA ⁽¹⁾	\$	-
German Depositors		686.1
Vendors		0.1
Canada Revenue Agency		-
Employee		-
Non-vendor		-
Related Party		-
Total Proven Claims	\$	686.2

⁽¹⁾ All Proofs of Claim are unsecured.

3. PROPOSED INTERIM DISTRIBUTION OF PROCEEDS AND CREDITOR NOTICE

25. As discussed in the Third Report, one of the primary stated objectives of the GIA is to obtain a distribution of the expected total surplus realized from the Toronto Branch (the “**Surplus**”) as soon as practicable to the German Estate. Notwithstanding that the WURA does not explicitly provide for an interim distribution to the German Estate until all third party Claims are satisfied in full, the Liquidator is supportive of the Interim Distribution, including the Partial Distribution. The Liquidator believes it is now in a position to seek approval from the Court to effect the Interim Distribution, including the Partial Distribution, as the majority of the Assets of the Toronto Branch had been realized upon, the universe of potential Claims is now defined with a relative degree of certainty through the Claims Procedure which has been ongoing for 150 days, an appropriate Notice will be made of the Interim Distribution to potentially affected parties and an appropriate additional reserve for potential further Claims has been set.
26. As at October 31, 2016, and as further described in Section 6 of this report, the Liquidator has realized substantially all of the Assets of the Toronto Branch and currently maintains over \$1.5 billion in cash and cash equivalents (including liquid securities), a significant portion of which could be made available for distribution to creditors and stakeholders of the Toronto Branch.
27. As described in Section 2 above, in accordance with the Claims Procedure, creditors have filed Claims totalling approximately \$1.57 billion which includes the GIA Claim of approximately \$791.3 million.
28. The following table summarizes the current assets and filed Proofs of Claim in respect of the Toronto Branch and demonstrates that if all Proofs of Claim, as filed with the Liquidator, are proven and admitted as Claims by the Liquidator the Toronto Branch would be rendered insolvent.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Summary of Toronto Branch Assets and Proofs of Claim filed
As at October 31, 2016⁽¹⁾
Amounts in CAD millions**

Assets		
Cash and cash equivalents ⁽²⁾		\$ 1,504.6
Remaining assets, under liquidation (at estimated recoverable amounts)		62.7
Less: Anticipated net U.S. asset realizations (included above) ⁽³⁾		(111.2)
Less: Estimated future total costs to administer estate ⁽⁴⁾		(9.5)
Assets available for distribution		\$ 1,446.6
Claims⁽¹⁾		
	#	Filed
German Depositors	23	686.1
Other unsecured claimants ⁽⁵⁾	33	93.3
GIA	1	791.3
Subtotal of Claims	57	1,570.7
Deficit ⁽⁶⁾		\$ (124.1)

Notes:

⁽¹⁾ Asset values as at October 31, 2016. Proofs of Claim values as at November 16, 2016.

⁽²⁾ Includes cash balance of \$263.2 million and liquid securities balance of \$1.2414 billion.

⁽³⁾ The U.S. Assets are subject to the Stipulation in the U.S. Chapter 15 proceedings and have been excluded for the purpose of estimating the solvency of the Toronto Branch.

⁽⁴⁾ Estimate of professional fees, Toronto Branch staff and administrative costs to complete the administration of the Toronto Branch liquidation. Does not include estimated professional fees to litigate any Proofs of Claim if they cannot otherwise be adjudicated through the Claims Procedure.

⁽⁵⁾ Includes trade, employee, Canada Revenue Agency, contract counter-party and contingent claims.

⁽⁶⁾ Total potential Creditor deficiency on the basis of total Proofs of Claim as filed (does not include interest on Claims as prescribed under WURA which accrues at the rate of 5% per annum as interest is not payable if Toronto Branch is insolvent).

29. The Liquidator has been working towards making the Interim Distribution as:
- i. There are limited Assets of the Toronto Branch remaining to be realized;
 - ii. Statutory interest will accrue on Claims if the Toronto Branch is determined to be solvent;
 - iii. The GDPF has significant claims and the German Estate has a significant interest in Toronto Branch proceeds which are both

currently subject to unhedged foreign exchange risk to these parties (the “**FX Risk**”); and

- iv. The Claims Procedure has been implemented for in excess of 150 days, with Creditors having wide notice of such proceedings, to the point where the Liquidator is able to establish a significant, conservative Claims reserve (as described further herein), subject to the further distribution mechanics proposed herein, including further notice to existing and further potentially affected stakeholders for a reasonable period.
30. The Liquidator has discussed the GIA Claim and the Interim Distribution with the GIA. In this regard, the Liquidator has reached an agreement with the GIA pursuant to which the GIA Claim, to the extent that it is valid, shall, upon receipt of the Partial Distribution as approved as part of the Interim Distribution, and without prejudice to its right to receive for the German Estate the assets of the Toronto Branch that remain after payment of all proven Claims, be permanently reduced to the extent of any such distribution made to the GIA in respect of the GIA Claim. The GIA has further agreed that such corresponding portion of the GIA Claim shall be extinguished and released by such distribution. In addition, the remaining portion of the GIA Claim, to the extent that it is valid, after taking into account the Interim Distribution, shall be capped at an amount (which amount may from time to time increase or decrease) that results in the Toronto Branch having assets in excess of its liabilities. Accordingly, Creditors with existing proven Claims will receive 100% of their Claim amounts, plus interest to the date of the Interim Distribution.
31. A reasonable reserve will be established to provide for: (i) Claims that have been filed but not yet proven/accepted (“**Unproven Claims**”) and (ii) possible future Claims (“**Future Potential Claims**”) including interest thereon until distributions are made in respect of these Claims. The reserve is discussed in more detail below.

32. In contemplating the Interim Distribution and in accordance with the agreement with the GIA, the Liquidator has developed a reserve (the “**Estimated Reserve**”) which is summarized in the table below and is comprised of an appropriate reserve for all existing and potential future claims:

- i. The total of all Unproven Claims;
- ii. An amount for Future Potential Claims in the order of \$50 million (the Liquidator is not aware of any pending further Proofs of Claim to be received); and
- iii. Interest on items (i) and (ii) at 5% per annum up to and including March 31, 2018, a period where the Liquidator estimates it will have resolved all claims.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Estimated Reserve
As at November 16, 2016
Amounts in CAD millions**

Unproven Claims ⁽¹⁾	\$ 93.2
Interest on Unproven Claims ⁽²⁾	9.3
Future Potential Claims ⁽³⁾	50.0
Interest on Future Potential Claims ⁽²⁾	5.0
Total Estimated Reserve	\$ 157.5

Notes:

⁽¹⁾ Represents unproven third party claims as filed, as at November 16, 2016 at the amounts as filed by the claimants. All or a portion of their amounts could ultimately be proven as Claims.

⁽²⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to March 2018, a conservatively assumed date upon which all unproven claims are resolved and a final distribution is made.

⁽³⁾ Reserve to provide for any claims not yet identified or filed.

33. The Estimated Reserve is designed to protect any further claimants of the Toronto Branch while at the same time allow for a timely distribution to qualifying claimants. The Estimated Reserve is isolated from the U.S. Assets of \$111.2 million, insofar as the Assets available and considered for the Interim Distribution exclude the U.S. Assets as they are subject to the Stipulation arrangements in the U.S. Chapter 15 proceedings previously described.

34. Based on the estimate of Toronto Branch assets, further net asset realizations, proven claimants, unproven claimants, and the Estimated Reserve, the estimated surplus in the Toronto Branch (the “**Estimated Surplus**”) available to the German Estate is shown below.

In the matter of the winding up of Maple Bank GmbH (Toronto Branch)		
Estimate of Estate surplus		
As at October 31, 2016⁽¹⁾		
Amounts in CAD millions		
Assets available for distribution ⁽²⁾		\$ 1,446.6
Proven Claims ⁽³⁾	686.2	
Interest on proven claims ⁽⁴⁾	28.6	\$ 714.8
Reserve for:		
Unproven Claims ⁽⁵⁾	93.2	
Interest on Canadian Claims ⁽⁶⁾	9.3	
Future Potential Claims ⁽⁷⁾	50.0	
Interest Future Potential Claims ⁽⁶⁾	5.0	\$ 157.5
Total potential distribution to third party creditors		\$ 872.3
Current Estimated Surplus		\$ 574.3

Notes:

- ⁽¹⁾ Asset values as at October 31, 2016. Proofs of Claim values as at November 16, 2016.
- ⁽²⁾ Includes cash, securities and Assets to be realized less the U.S. Assets (\$111.2 million) and costs to administer the estate.
- ⁽³⁾ Includes the German Depositor Claims of \$686.1 million and other trade Claims of \$0.1 million.
- ⁽⁴⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to the Interim Distribution Date.
- ⁽⁵⁾ Represents unproven third party Proofs of Claim as filed, as at November 16, 2016, at amounts as filed by the claimants.
- ⁽⁶⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to March 2018, a conservatively assumed date upon which all unproven claims are resolved and a final distribution is made.
- ⁽⁷⁾ Reserve to provide for any Claims not yet filed.

35. The Liquidator is of the view that the Interim Distribution is appropriate under the circumstances and should be made for the following reasons:

- i. The Asset realization process is substantially complete and the Liquidator is holding cash or equivalents in excess of \$1.5 billion;

- ii. Pursuant to the Claims Procedure, creditors were provided in excess of 90 days to file their Claims with the Liquidator. It has now been in excess of five months since the Claims Procedure was commenced. The Liquidator is of the view that creditors of the Toronto Branch have had sufficient time to submit their Claims and that creditors who may have Claims against the Toronto Branch have done so. The Liquidator is not aware of any pending claims;
- iii. In addition to the notice of the Claims Procedure sent to all creditors by the Liquidator on June 14, 2016, all creditors will be receiving service of the Liquidator's Ninth Report and distribution motion, as well as, an additional 30 day Notice of the proposed Interim Distribution;
- iv. The Liquidator has also held without prejudice discussions with a significant creditor that has filed a contingent Claim and has verbally confirmed with the Liquidator the upper possible maximum value of its Claim which is included as an Unproven Claim in the analysis herein;
- v. The reserve for Future Potential Claims is considerable at \$50 million, plus interest to March 31, 2018, which is a provision over and above the amount set aside for Unproven Claims, which may or may not ultimately be resolved at the amounts filed by the claimants;
- vi. Pursuant to the WURA, interest is accruing on Claims at 5% per annum, which is significant given the value of certain of the largest Claims and the corresponding current low interest rate environment. The Estimated Surplus available for the German Estate decreases as interest continues to accrue on creditors' Claims;
- vii. The Interim Distribution meets the GIA's stated objectives of receiving a distribution of the Estimated Surplus as soon as practicable and mitigates the German Estate's FX Risk;

- viii. The GDPF as the largest creditor of the Toronto Branch will also have its FX Risk mitigated the sooner a distribution can be made; and
- ix. There is efficiency in the liquidation of the Toronto Branch in a timely distribution of proceeds to the Toronto Branch stakeholders.

Interim Distribution Notice

- 36. In order to provide notice of the proposed Interim Distribution, if the Interim Distribution is approved by the Court, the Liquidator also intends to post a notice to all creditors of the Toronto Branch in the National Edition of *The Globe and Mail* and International Edition of *The Wall Street Journal* and on the Liquidator's website within three business days of the Court approving the Interim Distribution providing notice that the Interim Distribution will be made on or about December 19, 2016 (the "**Interim Distribution Date**"). The Notice will advise that in order to participate in the Interim Distribution, creditors must have their Claim proven with the Liquidator prior to the Interim Distribution Date. A copy of the draft Notice that will be posted in the newspapers is attached hereto as **Appendix D**.
- 37. If further Claims are filed with the Liquidator during this notice period that materially affect the Estimated Reserve and in the Liquidator's judgement would also affect the solvency of the Toronto Branch or the quantum of the Expected Surplus that could be distributed to the German Estate, the GIA will consent to the reduction in the Partial Distribution, or the Liquidator will return to the Court for further advice and directions.
- 38. In addition to proceeding with the Interim Distribution, once approved, the Liquidator also intends to distribute any remaining funds held in the U.S. Joint Control Account with Citibank N.A. which have been realized on from the U.S. Assets (as further described in paragraph 60 of this Report) to the GIA as soon as practicable after the Interim Distribution Date, subject to paragraph 37 above.
- 39. For the reasons outlined above, the Liquidator is of the view that the Interim Distribution should be approved by the Court at this time.

4. PROPOSED CONVERSION OF CANADIAN FUNDS TO EUROS FOR THE BENEFIT OF GERMAN STAKEHOLDERS

40. As noted above, the Toronto Branch's two largest stakeholders reside in Germany, namely the GDPF, as the assignee of German depositors with proven Claims of \$686.1 million (plus accrued interest) and the GIA for the Estimated Surplus. The quantum of these amounts is significant and these stakeholders are exposed to FX Risk on account of the Liquidator holding primarily CAD. The GDPF and the GIA have repeatedly asked for the Liquidator's assistance in mitigating their FX Risk.
41. As the universe of Claims has become clearer, and should the Court approve the mechanics of the Interim Distribution as described herein which include the Interim Distribution Notice, the Liquidator would be supportive of assisting the above parties in reducing their FX Risk for the 30-day Notice period.
42. The Liquidator is therefore seeking the Court's approval to (a) convert the amounts payable to the GDPF in respect of their Proven Claims and the Estimated Surplus distribution to the German Estate to Euros, or (b) purchase an alternative derivative financial product that will hedge the FX Risk until the Interim Distribution Date once the Interim Distribution is approved, subject, in each case, to the approval of the GDPF and/or the GIA, as the case may be. The conversion or transaction costs will be borne by the GDPF and the GIA for their proportionate shares of the same and the Liquidator will hold their respective distribution amounts in Euros (if conversion is chosen) until the Interim Distribution Date, at which time such Euros will be delivered to the GDPF and the GIA. The Liquidator will satisfy a portion of the proposed Interim Distribution with 49 million Euros that it has on hand.
43. In the event that the Liquidator receives claims before the Interim Distribution Date which will affect the Interim Distribution, the Liquidator will consider whether such funds should be converted back to CAD and the conversion costs incurred will be deducted from these stakeholders' distributions when made.

5. ACTIVITIES OF THE LIQUIDATOR

44. A detailed description of the Liquidator’s activities up to and including March 30, 2016, is set out in the Second Report and was approved by the Court on April 5, 2016. Since the filing of the Second Report, the Liquidator has continued to manage the liquidation of the Toronto Branch as further described below.

Preservation and Safeguarding of Assets

Physical and Remote Access

45. Upon taking control of the Toronto Branch office premises (the “**Premises**”), the Liquidator identified the Toronto Branch’s information technology (“**IT**”) systems and processes and established control of the IT systems in a manner that secured and maintained the integrity of the data, systems and processes, including terminating remote access to the IT systems and restricting physical access to the on-site servers.
46. The Liquidator prepared a complete backup of financial and other information as of the Winding-Up Date, and continues to prepare weekly backup updates which are stored in a secure evidence vault at the Liquidator’s offices.
47. The Liquidator had arranged for attendance by security guards at the Premises during non-business hours. The Liquidator had also restricted key card access of all employees of the Toronto Branch and Maple Securities Canada Limited (“**MSCL**”), a related party that shares the Premises with the Toronto Branch, excluding select IT personnel who required access to the server room located in the Premises in the case of emergency. A daily log of authorized individuals was maintained by the security team and reviewed by Liquidator.
48. To date there have been no breaches of the security protocol implemented by the Liquidator. As the liquidation of the Toronto Branch is now substantially complete and most employees have completed their employment with the Liquidator, the Liquidator terminated this security coverage on November 4,

2016. The Premises continue to be physically secured and access is restricted to key card access holders whose access is recorded by the security system.

Books and Records

49. All books and records of the Toronto Branch, whether electronic or hard copy, continue to be safeguarded through the processes noted above. The Liquidator has continued to update the books and records of the Toronto Branch as transactions related to the winding-up of the Toronto Branch occurred.
50. The Liquidator continues to catalogue and maintain all of the Toronto Branch's hard copy books and records in preparation for delivery to a secure off-site storage provider which is anticipated to be completed by November 30, 2016.

Cash Control, Forecasting, Monitoring and Reporting

51. The Liquidator regularly performs the following activities to ensure the preservation of the Assets of the Toronto Branch and other resources:
 - i. The Liquidator reviews all disbursements requested by the Toronto Branch with the treasury department. The approval controls for disbursements are maintained by the Liquidator through the safeguarding of the banking access devices required to process disbursements for all bank accounts and the changing of signing authorities to only the Liquidator's senior personnel;
 - ii. A weekly bank reconciliation is prepared and reviewed by the Liquidator that compares the Liquidator's records to the Toronto Branch's bank statements to ensure no discrepancies exist;
 - iii. A cash flow forecast (the "**Cash Flow Forecast**") is prepared by the Liquidator for the purposes of estimating the cash flows of the Toronto Branch during these WURA proceedings. The Liquidator relies on the Toronto Branch's records and discussions with management to prepare the Cash Flow Forecast. The key

assumptions are reviewed regularly by the Liquidator and updated to reflect developments in the Toronto Branch's liquidation;

- iv. The Liquidator regularly reports on the Toronto Branch's cash balances to the GIA. A detailed analysis of receipts and disbursements is prepared for each report to the Court and the Liquidator comments on the movements in cash during each reporting period; and
- v. The Liquidator continues to manage the cash and securities of the Toronto Branch and engaged RBC Dominion Securities ("RBC DS") as an investment manager to manage the funds realized through asset sale transactions completed by the Liquidator and to obtain a secure rate of return on these funds.

Attending to Toronto Branch Operating Matters

Employees

- 52. The Liquidator negotiated and granted retention arrangements and in some cases retention bonuses for certain Toronto Branch staff that were critical for the ongoing administration of the affairs of the Toronto Branch by the Liquidator. As staff needs for the Toronto Branch were reduced the affected staff were terminated in accordance with the term and task letters negotiated by the Liquidator with each applicable staff member. As of November 14, 2016, only the former CFO continues to be retained by the Liquidator in order to assist with the ongoing administration of the Toronto Branch.
- 53. The Liquidator recently held an information session for employees in order to provide direction as to how to complete their proof of claim forms in respect of amounts that may be due to them by the Toronto Branch.

Office Lease and Other Services

54. Maple Financial Group (“**MFG**”) is a company related to Maple Bank and is the named tenant on the lease for the Premises where Toronto Branch and other entities related to Maple Bank operated. Toronto Branch funds its share of the lease costs to MFG each month. On August 4, 2016, MFG made an assignment in bankruptcy and Deloitte Inc. was appointed as Trustee in Bankruptcy (the “**Trustee**”). Both Toronto Branch and MSCL required the continued use of the Premises and negotiated an occupancy agreement with the Trustee. The Trustee exercised its statutory right of occupation pursuant to the *Bankruptcy and Insolvency Act*, and occupied the Premises until October 31, 2016. The Liquidator negotiated an agreement with the landlord for the Toronto Branch to retain the Premises on terms substantially the same as in the existing lease for a short term (i.e. until November 30, 2016) in order to permit the Liquidator to close the Equitable Transaction and wind-up the remaining business of the Toronto Branch. On November 30, 2016, the Liquidator will relinquish the Premises and has arranged temporary workspace for the sole remaining employee of the Toronto Branch.

Tax Returns

55. The Liquidator arranged for the preparation of tax returns for the Toronto Branch for the fiscal period ended September 30, 2015 and the period October 1, 2015 to February 15, 2016. These returns were filed by the Liquidator prior to the Canada Revenue Agency (“**CRA**”) filing deadlines.
56. The Liquidator worked with the Toronto Branch’s tax advisor, Ernst & Young LLP (“**EY**”), to obtain opinions in respect of the Toronto Branch’s tax status, and tax implications resulting from (i) the asset sales completed by the Liquidator; and (ii) the Toronto Branch ceasing to carry on business as an authorized foreign bank branch as a result of its liquidation.
57. The Liquidator continues to work with EY for the preparation of the tax returns for the liquidation period and resolution of the CRA’s Claim in the Toronto Branch.

Development and Execution of the Marketing Process

58. As discussed herein, the Liquidator has completed the three streams of the Marketing Process:
- i. The Structured Loans Marketing Process;
 - ii. The Maple Assets Marketing Process; and
 - iii. The Successor Issuer Marketing Process.
59. In order to execute the Marketing Process, the Liquidator engaged in on-going consultation with affected parties including CMHC, the GIA, mortgage originators and servicers, immigrant note issuers, among others.
60. The Liquidator reported to the Court on the sale of the Un-Pooled Mortgages in the Fourth Report, the sale of the Receivable Backed Notes in the Fifth Report, the sale of the Maple Assets and the appointment of a Successor Issuer in the Sixth Report and the sale of the remaining Receivable Backed Notes in the Seventh Report. The Liquidator's activities in respect of the Marketing Process as described in those reports were previously approved by the Court.

Monitor and Realize Upon Other Assets

U.S. Assets

61. As described in the Second Report, after the commencement of the German Insolvency Proceedings, the GIA filed a petition for recognition of the German Insolvency Proceedings in the U.S. Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") under Chapter 15 of the U.S. Bankruptcy Code (the "**Chapter 15 Proceeding**").
62. On March 2, 2016, the Liquidator and the GIA entered into the Stipulation to address the realization of Maple Bank's U.S. Assets. The Stipulation was filed with the U.S. Bankruptcy Court on March 3, 2016, as part of the GIA's revised proposed recognition order. The Stipulation is described in the Second Report.
63. Pursuant to the Stipulation, the Liquidator and the GIA opened a Joint Control Account with Citibank N.A. The Liquidator has regularly transferred funds to the

Joint Control Account as U.S. Assets are monetized. As at October 31, 2016, the Joint Control Account held a balance of approximately U.S. \$69.0 million (CAD \$111.2 million) primarily relating to realizations on various U.S. Assets, including the Global One loan, certain energy loans, the State Street stock loan, as well as, the settlement of financial derivative transactions with various U.S. based counterparties. In addition the Liquidator is holding U.S. \$14 million in its U.S. dollar denominated special trust account pending the resolution of the Claim filed by Global One. As at the date of this Report there are no other U.S. Assets relating to the Toronto Branch's Business that need to be monetized.

Derivative Settlements

64. As described in the Second Report, the Moratorium was an event of default under all of the derivative and financial instruments to which Toronto Branch was a party. As at the date of the Winding-Up Order, the Toronto Branch had entered into numerous derivative financial instruments with seven counterparties. To-date, the Liquidator has settled six counterparty derivative accounts, while one has yet to be settled. The Liquidator is in discussions with the respective counterparty with the goal of reaching a settlement.

Structured Loans Portfolio

As described in the Second Report, Toronto Branch had a structured loan portfolio consisting of Immigrant Investor Program (“IIP”) notes and various commercial loans. The book values of these assets at the date of the Winding-Up Order were approximately \$233.3 million and \$138.5 million, respectively. A significant portion of the IIP notes were sold to third parties in August, 2016 for approximately \$193.6 million. A number of the unsold IIP notes matured and have been redeemed by the Liquidator. As described in the Seventh Report, the Liquidator also sold the remaining IIP notes in October, 2016 for approximately \$14.9 million.

65. Global One has repaid the outstanding loan balance including U.S. \$14 million which is held by the Liquidator in its U.S. denominated special trust account.

66. The Liquidator has concluded a transaction that includes the sale of the Lakeview Mortgage asset which was described in the Sixth Report.
67. The Liquidator has also reached agreements with two energy loan counterparties in order to settle their respective outstanding loan balances at close to the applicable book value. These agreements also included a release of all potential future Claims against Maple Bank.

CED Portfolio

68. As discussed in the Third Report, the *Bank Act* requires that the Toronto Branch hold Capital Equivalency Deposits (“**CED**”) with an approved financial institution in Canada. At the date of the Winding-Up Order, the Toronto Branch had approximately \$467.5 million in CED at BMO Trust Company (“**BMO Trust**”), as custodian, which consisted primarily of municipal bonds, NHA MBS pools, Government of Canada treasury bills and Schedule 1 bankers’ acceptance notes (the “**CED Securities**”). With the terminations of the derivative instruments the CED Securities holdings were un-hedged and the Toronto Branch was vulnerable to interest rate risk.
69. To minimize the Toronto Branch’s interest rate risk exposure, the Liquidator desired to liquidate the CED portfolio. Prior to liquidating selected securities in the CED, the Liquidator performed the following activities:
 - i. Established bid spread levels from daily dealer spread runs, Bloomberg, and conversation with dealers;
 - ii. Confirmed with OSFI the Liquidator’s sale process and timing;
 - iii. Confirmed with BMO Trust the sale process and timing and discussed reinvestment execution; and
 - iv. Confirmed with BMO Capital Markets (the settlement and clearing bank) the sale processing and timing.

70. During the period May 5 to 15, 2016, the Liquidator liquidated and settled approximately \$371 million of CED account securities (e.g. municipal bonds, provincial bonds and NHA MBS pools) with maturity dates beyond December 31, 2016, and purchased Government of Canada treasury bills with one month maturities with the proceeds until the selection of an Investment Manager and subsequent investing in a portfolio of very low risk and liquid securities.

Selection of an Investment Manager

71. The Liquidator completed the process of selecting an investment manager for the cash portfolio of the Toronto Branch, which includes amounts realized through asset sale transactions completed by the Liquidator and amounts held by Toronto Branch on the Liquidation Date. As outlined in the Third Report, the Liquidator prepared a Request for Proposal (“RFP”) seeking a single investment manager for the Liquidator’s portfolio of the Toronto Branch’s cash and securities with the objective to earn a return on these assets while assuming very low investment risk. The RFP was sent to three Canadian Schedule 1 chartered banks. All three banks provided investment management proposals.
72. After reviewing the proposals, the Liquidator selected RBC DS as the investment manager for the Liquidator’s portfolio of Toronto Branch assets. The Liquidator transferred remaining securities and excess cash to RBC DS for investment, and continues to transfer funds as assets are realized. The balance of securities held in these managed accounts was approximately \$1.2 billion as at October 31, 2016.

OSFI Approval

73. In order to withdraw securities from the Toronto Branch CED account, the Liquidator was required to obtain approval from OSFI. The Liquidator engaged in numerous discussions with OSFI and prepared the necessary documentation to seek approval from OSFI to transfer CED from BMO to RBC DS. In August 2016, the Liquidator received approval from OSFI to withdraw the securities portfolio from the Toronto Branch CED account, and the securities were transferred to the Liquidator’s investment accounts at RBC DS.

Sale of Artwork

74. The Toronto Branch owned three pieces of artwork. The Liquidator engaged a professional art advisor (the “**Art Advisor**”) to conduct an appraisal for each piece of art. Following the appraisal, the Art Advisor concluded that the combined market value of the three pieces was approximately \$27,000.
75. The Liquidator proceeded to engage the Art Advisor to sell the art on the Liquidator’s behalf. To date, two of the three pieces have been sold for a combined net realization of \$14,000, after commissions and selling costs. The Art Advisor continues to market the third piece of art.

Intercompany Balances

76. As described in the Second Report, the Toronto Branch was in a receivable position with certain related entities primarily as a result of collateral securities provided to MSCL, and the net effect of a related party loan arrangement and interest rate swaps with Maple Holdings Canada Limited (“**MHCL**”).
77. The Liquidator has settled the majority of the MSCL receivable balance. The remaining receivable balance from MSCL as at October 31, 2016, is approximately \$103,000 and is expected to be settled in the coming weeks.
78. The remaining MHCL receivable balance as at October 31, 2016, is approximately \$4.6 million. The Liquidator has formally requested payment of this amount from MHCL and has been advised that payment will be made when the Maple Securities (U.K.) Ltd. (“**MSUK**”) estate is settled due to certain intercompany guarantee obligations.
79. The Toronto Branch also had a payable in the amount of approximately US\$ 14 million owing to MSUK relating to the back end of a repurchase transaction with Societe General in which the Toronto Branch acted as an intermediary. As at the date of this report the Liquidator and the administrator of the MSUK have reached a settlement of this payable for approximately US\$ 14 million which amount will be paid to MSUK from the Joint Control Account with the consent of the GIA.

Communications and Other Interactions with Stakeholders

The GIA

80. Since the filing of the Third Report, the Liquidator has met with the GIA to review matters related to the administration of the Toronto Branch, including, without limitation, the following:

- i. Sale transaction of the Un-Pooled Mortgages;
- ii. Sale transactions of the Receivable Backed Notes;
- iii. Approval of a Successor Issuer of the MBS Assets;
- iv. Sale transaction of the MBS Assets;
- v. Ongoing monetization of the Assets, including the U.S. Assets;
- vi. Operating cash balances and the investment thereof (including the CED portfolio and new RBC investment account);
- vii. Toronto Branch's potential liabilities;
- viii. Tax matters;
- ix. The Claims Procedure;
- x. The BMO Settlement and BMO Sale transaction
- xi. Liquidator's cash flow projections;
- xii. The proposed Interim Distribution and the proposed Euro conversion; and
- xiii. Other matters.

81. The Liquidator has prepared the following reports for the GIA:

- i. The Interim Winding-Up Plan;
- ii. The Final Winding-Up Plan;

- iii. The Toronto Branch Update Report;
 - iv. The Euro Conversion analysis; and
 - v. Various other schedules, status update reports, analysis and commentary regarding the Toronto Branch.
82. The Liquidator has responded to numerous ongoing queries and additional information requests from the GIA, in addition to providing the reports listed above.
83. Consultation with the GIA on these matters occurred both in person and through regular contact by email and phone. Face-to-face meetings were held in Toronto on April 18, 2016, May 16, 2016, August 4, 2016 and September 13, 2016 and November 2, 2016. Meetings were also held in Frankfurt, Germany on June 28, 2016.

Other Stakeholders

84. Since the filing of the Third Report, the Liquidator continues to work with various financial, regulatory and other stakeholders including:
- i. OSFI, to whom the Liquidator provides regular updates and reporting, including a monthly statement of assets and liabilities;
 - ii. Creditors of the Toronto Branch, fielding phone calls, emails and in-person questions relating to the Claims Procedure and other Toronto Branch matters;
 - iii. Derivative counterparties in respect of transactions that needed to be settled;
 - iv. CMHC regarding issues relating to the MBS business, including implementation and execution of the Marketing Process;
 - v. GDPF in respect of its Claims, the timing for distribution of proceeds and the related foreign exchange risk;

- vi. Mortgage loan originators and servicers relating to current obligations and contractual agreements, including considering and discussing the implications, if any, of the Marketing Process on their business;
 - vii. Structured loan counterparties as it relates to continued loan servicing obligations, repayment timing and the Marketing Process;
 - viii. Entities related to Maple Bank to understand and settle (i) intercompany account reconciliations; and (ii) various financial transactions and related settlements;
 - ix. Potential Successor Issuers and potential acquirers of the Assets pursuant to the Marketing Process;
 - x. Current and former employees with respect to their continued retention by the Liquidator and Claims that they may have resulting from the Toronto Branch's liquidation; and
 - xi. Other general stakeholders.
85. The Liquidator continues to post regular updates to the Liquidator's website in order to keep creditors and other stakeholders informed on the status of the Toronto Branch's winding-up proceedings.

Discussion with Canadian, U.S. and German counsel

86. The Liquidator continues to retain Gowling WLG as Canadian independent legal counsel and Willkie Farr LLP ("**Wilkie**") as U.S. independent legal counsel.
87. The Liquidator continues to consult with both Gowling WLG and Willkie as required.

Reporting to Court as Necessary

88. The Liquidator continues to:
- i. Prepare and submit reports to the Court;

- ii. Attend Court hearings as necessary; and
- iii. Conduct activities relating thereto with affected and interested parties and stakeholders.

6. RECEIPTS AND DISBURSEMENTS

Summary of Receipts and Disbursements

89. The following table summarizes the receipts and disbursements for the Toronto Branch for the period February 16, 2016 to October 31, 2016.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Statement of Receipts and Disbursements
For the period February 16 to October 31, 2016
Amounts in \$CAD millions**

Receipts	CAD Total⁽¹⁾
CED and Securities	490.7
Structured Loan Portfolio	355.7
MBS Business	138.8
Related Party Settlements	99.5
Settlement of Brokerage Account	63.8
Derivative Instruments	45.8
Miscellaneous/Other	1.7
Total Receipts	1,196.0
Disbursements	
Payroll	2.4
General and Administrative	1.0
Occupancy	0.3
Transfer to CMHC	0.3
Total Operating Disbursements	3.9
Professional Fees	4.9
Net Receipts in excess of Disbursements	1,187.2
Opening Cash Balance	317.4
Closing Cash and Cash Equivalents Balance	1,504.6
Total Cash⁽²⁾	263.2
Liquid Securities held with RBC	1,241.4
Total Cash and Cash Equivalents	1,504.6

⁽¹⁾ Assets held in USD and EUR are converted to CAD at the October 31, 2016 spot rate.

⁽²⁾ Relates to cash held in various operating accounts including approximately \$92.5 million in a Citibank U.S. dollar escrow account and approximately \$72 million in a EUR denominated CIBC account.

Analysis of Receipts

90. Receipts for the period totalled approximately \$1.2 billion and are described below.

CED and Securities

91. Receipts from the CED Securities of approximately \$490.7 million relate primarily to the liquidation and maturation of \$469.4 million of the CED Securities which have been re-invested in the Toronto Branch's RBC DS accounts (as described herein) with expected maturities in late 2016 and early 2017 consistent with the Liquidator's proposed distribution strategy as further described in Section 3 above. In addition the Liquidator also realized on approximately \$21.2 million of additional securities held by the Toronto Branch as at the date of the Winding Up Order.

Structured Loan

92. Receipts of approximately \$355.7 million primarily relate to the sale of the Receivable Backed Notes as part of the IIP for \$225.1 million, proceeds received from the Lakeview Loan facility of \$40.0 million, collection of the Global One loan facility for proceeds of \$80.1 million (including interest) and collections of other smaller energy and mortgage loan products.

MBS Business

93. Receipts from the MBS Business primarily relate to the sale of the Maple Assets as part of the Marketing Process including: (i) proceeds received from the Un-Pooled Mortgage portfolio transaction which was completed in May 2016; (ii) the sale of the NHA MBS portfolio, included in the Equitable Transaction; and (iii) payments made to the originators and servicers as it relates to various reserves and holdbacks.

Related Party Settlements

94. Receipts from related party settlements of \$99.5 million, primarily relate to the settlement of the intercompany accounts with MSCL and the partial unwinding of a repurchase transaction with MSUSA in February 2016.

Settlement of Brokerage Account

95. Prior to the Winding-Up Order, the Toronto Branch had three accounts (one each for: (i) CAD; (ii) the U.S. dollar; and (iii) and the Euro) with Interactive Brokers.

In order to settle and close the accounts the Liquidator was required to fund \$8.1 million in order to retain Euro 49.0 million (equivalent to \$71.9 million) which was subsequently transferred to CIBC. The effect of these transactions was a net \$63.8 million receipt for the Toronto Branch.

Derivative Instruments

96. Represents receipts from the unwinding of various financial derivative instruments of \$45.8 million. As at the date of the Winding-Up Order, the Toronto Branch had numerous financial derivative instruments with seven counterparties. As at the date of this report, the Liquidator has settled with six of the seven counterparties and continues to negotiate settlement terms with the last remaining unsettled counterparty and anticipates that a final settlement will be completed in the coming months.

Other and Miscellaneous

97. Relates to interest received on cash balances totalling approximately \$1.7 million.

Analysis of Disbursements

98. Operating disbursements for the period total approximately \$3.9 million and consist of disbursements on account of payroll, office rent, and general and administrative expenses. In addition, a one-time transfer of approximately \$0.3 million was made to CMHC to return NHA MBS mortgage payments received by the Toronto Branch in error.
99. Professional fees paid during the period of \$4.9 million, consist primarily of professional fees of the Liquidator, its Canadian independent legal counsel (Gowling WLG) and U.S. independent counsel (Willkie). Professional fees paid as at October 31, 2016 relate to fees and expenses incurred through to June 30, 2016. The fees of the Liquidator and its counsel remain subject to review by the Independent Cost Counsel and approval by the Court.
100. As at October 31, 2016 the Toronto Branch had approximately \$1.5 billion of cash and cash equivalents which is comprised of approximately \$263.2 million in

various cash accounts and \$1.2 billion in liquid securities in the Liquidator's RBC DS account.

7. LIQUIDATOR'S RECOMMENDATIONS

101. The Liquidator submits this Ninth Report to the Court in support of the Liquidator's Motion for the relief as set out in the Notice of Motion dated November 16, 2016 and recommends that the Court grant an Order to:
- i. Approve the Interim Distribution;
 - ii. Approve the Interim Distribution Notice to be placed in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* giving notice to creditors of the Toronto Branch of the Interim Distribution by December 19, 2016;
 - iii. Authorize the Liquidator to convert amounts held by the Liquidator in respect of the Interim Distribution that will be made to the GDPF and the GIA, from CAD to Euros or the purchase of an appropriate foreign exchange hedging instrument;
 - iv. Approve the Receipts and Disbursements of the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
 - v. Approve the activities of the Liquidator since the filing of the Third Report, along with the activities of the Liquidator as described in the Third Report.

All of which is respectfully submitted at Toronto, Ontario this 16th day of November, 2016.

KPMG Inc., in its capacity as Court Appointed Liquidator of the Business in Canada of Maple Bank GmbH and its Assets as defined in Section 618 of the *Bank Act*

A handwritten signature in black ink, appearing to read "P. Reynolds", written in a cursive style.

Per: _____
Philip Reynolds
Senior Vice President

TAB 2B



Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

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File No. 1743-001

September 8, 2016

PRIVATE AND CONFIDENTIAL

DELIVERED

KPMG Inc.
Court Appointed Liquidator of Maple Bank
GmbH, Toronto Branch
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Attention: Sven Dedic

Dear Mr. Dedic:

Re: Winding-up of Maple Bank GmbH, Toronto Branch (Court File No. CV-16-11290-00CL)
Proof of Claim of Paul Lishman

We are counsel to Mr. Paul Lishman (“**Mr. Lishman**”) in respect of his Proof of Claim in the above-referenced proceeding.

Further to the letter of Milburn & Associates (the “**Milburn Letter**”), to which this letter is appended, Mr. Lishman makes the following claims in respect of contingent liabilities, known or unknown, as described below. This letter and these claims are to be read in conjunction with the Milburn Letter and all documents referenced therein, and forms part of Mr. Lishman’s Proof of Claim.

Mr. Lishman claims all amounts for contribution, indemnity, reimbursement, costs and any other relief arising out of or on account of any claims made against Mr. Lishman due to or connected with his roles as Principal Officer of Maple Bank GmbH, (Toronto Branch) or as a director and/or officer of the Maple Affiliates (defined below), known or unknown, including but not limited to:

- (a) any tax liabilities for which Mr. Lishman may be solely or jointly and severally liable, including but not limited to:

- (i) Any tax amounts owing by Maple Bank GmbH, (Toronto Branch) or its subsidiaries or affiliates under the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c. 1, which may include source deductions or withholding amounts, for which Mr. Lishman may be jointly and severally liable to pay that amount plus any interest or penalties; and
- (ii) any tax amounts owing by Maple Bank GmbH, (Toronto Branch) or its subsidiaries or affiliates under the *Excise Tax Act*, R.S.C. 1985, c. E-15, including but not limited to Harmonized Sales Tax, that Revenue Canada may seek to recover against Mr. Lishman;
- (b) any amounts for which Mr. Lishman may be held solely or jointly and severally liable under the *Employment Standards Act, 2000*, S.O. 2000, c. 41 or similar provincial or federal statute in Canada or elsewhere;
- (c) any amounts relating to claims made against Mr. Lishman arising from or connected to the winding up of Maple Bank GmbH, (Toronto Branch), including prior to and following February 16, 2016, being the "Winding-Up Filing Date";
- (d) any amounts relating to or arising from claims made against Mr. Lishman in his capacity as director and or officer of the following entities:

- Maple Financial Group Inc.
- Maple Futures Corp.
- Maple Holdings Canada Limited
- Maple Securities Canada Limited
- Maple Trade Finance Inc.
- Maple Securities U.S.A. Inc.
- Maple Arbitrage Inc.
- Maple Partners America Inc.
- Maple Trade Finance Corp
- Maple Commercial Finance Corp
- MFG Guarantee Committee
- MFG Executive Committee

and/or any other affiliate or related entity of Maple Bank GmbH, (Toronto Branch) or the above-listed entities, in Canada or elsewhere (collectively the "Maple Affiliates");

- (e) any amounts relating to claims made against Mr. Lishman arising from or connected to the voluntary or involuntary winding up of any of the Maple Affiliates;

- (f) any amounts Mr. Lishman is found to be liable for, whether jointly, severally or otherwise, in respect of any declaration or payment of dividends and/or any redemption or purchase of shares and/or any capital repatriation, of Maple Bank GmbH, (Toronto Branch) or any of the Maple Affiliates;
- (g) any liability for a transfer found to be a “transfer at undervalue” or otherwise void or voidable under any applicable statute;
- (h) any liability for any misapplication of corporate funds, including under section 24 of the *Winding Up and Restructuring Act*, R.S.C. 1985, c. W-11;
- (i) any liability for common law, equitable or statutory claims made against Mr. Lishman, including but not limited to a claim for breach of fiduciary or statutory duty or for oppression under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 or similar provincial statute; and
- (j) defence costs, including all legal costs, associated with any claims made against Mr. Lishman in respect of the above.

Mr. Lishman’s entitlement to the above claims arises from his roles as Principal Officer of Maple Bank GmbH, (Toronto Branch) or as a director and/or officer of the Maple Affiliates. Notwithstanding that his entitlement arises by virtue of his role as Principal Officer and/or director and/or officer, the following documents and statutes evidence Mr. Lishman’s entitlement to the above claims:

- (a) the by-laws of the Maple Affiliates, including but not limited to: By-law No. 1A – Maple Financial Group Inc. dated January 21, 2009; By-law No. 1 Terra Nova Securities Limited, dated August 22, 1997 (Maple Securities); By-law No. 1A Maple Holdings Canada Limited, dated September 30, 2014; and By-law No. 1 Maple Partners Futures Corp., dated July 7, 1998, attached hereto;
- (b) Any indemnities available at common law and/or under contract; and
- (c) *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, including section 124, or similar provincial statute.



Thornton Grout Finnigan LLP

4.

Mr. Lishman further requires that Maple Bank GmbH, (Toronto Branch) and the Maple Affiliates maintain all insurance coverage for all potential claims made against these entities and/or its directors and officers. Mr. Lishman requests that these insurance policies and all riders be provided to him. Mr. Lishman requires that he be notified of all claims made and provided with copies of all correspondence with any insurers.

Yours very truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to be 'RIT', written over a horizontal line.

Robert I. Thornton
RIT

Encl.

BY-LAW NO. 1A

a by-law relating generally to the transaction of the business and affairs of
MAPLE FINANCIAL GROUP INC.
(the "Corporation")

1 - INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation:

- (a) "the Act" means the *Canada Business Corporations Act* or any statute which may be substituted therefor, as amended from time to time;
- (b) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival of the Corporation and includes any amendments thereto;
- (c) "board" means the board of directors of the Corporation;
- (d) "meeting of shareholders" means an annual meeting of shareholders or a special meeting of shareholders;
- (e) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act (Canada)*;
- (f) "officer" means any individual appointed as an officer by the board, the chairperson of the board, the president, a vice-president, the secretary, the treasurer, the comptroller, the general counsel, the general manager, a managing director of a corporation, or any other individual who performs functions for a corporation similar to those normally performed by an individual occupying any of those offices;
- (g) "person" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (h) "Regulations" means the regulations under the Act, as amended from time to time;
- (i) "resident Canadian" means a Canadian citizen ordinarily resident in Canada or as otherwise defined in the Act;

- (j) **“unanimous shareholder agreement”** means a written agreement among all the shareholders of the Corporation, or among all such shareholders and one or more persons who are not shareholders, or a written declaration by a person who is the beneficial owner of all the issued shares of the Corporation, that restricts, in whole or in part, the powers of the directors to manage, or supervise the management of, the business and affairs of the Corporation, as from time to time amended;
- (k) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders;
- (l) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

1.2 Unanimous Shareholders Agreement

Where any provision in this by-law conflicts with any provision of a unanimous shareholder agreement, the provision of such unanimous shareholder agreement shall govern to the extent permitted by the Act.

2 - GENERAL BUSINESS

2.1 Registered Office

Until changed in accordance with the Act, the registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

2.2 Seal

The Corporation may have a seal, which shall be adopted and may be changed by the board.

2.3 Financial Year

Until changed by the board, the financial year of the Corporation shall end on the 30th day of September in each year.

2.4 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any director or officer. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

Notwithstanding the foregoing, the secretary or any other officer or any director may sign certificates and similar instruments (other than share certificates) on the Corporation's behalf with respect to any factual matters relating to the Corporation's business and affairs, including certificates verifying copies of the articles, by-laws, resolutions and minutes of meetings of the Corporation.

2.5 Execution in Counterpart, by Facsimile, and by Electronic Signature

- (a) Subject to the Act, any notice, resolution, requisition, statement or other document required or permitted to be executed by one or more persons may be signed by means of electronic signature (as defined in the Act) or the Corporation may accept a facsimile signature;
- (b) Execution of several copies of any notice, resolution, requisition, statement or other document, each of which is executed whether manually or electronically, by one or more of such persons, when duly executed by all persons required or permitted, shall constitute one and the same such document for purposes of the Act.
- (c) Subject to the Act, wherever a notice, resolution, requisition, statement or other document or other information is required to be created in writing, that requirement is satisfied by the creation of an electronic document with electronic signatures.

2.6 Banking Arrangements

The banking business of the Corporation, or any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided.

3 - BORROWING

3.1 Borrowing

Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 Delegation

Subject to the Act, the articles, any by-laws and any unanimous shareholder agreement, the board may from time to time delegate to a director, a committee of directors or an officer or such

other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

4 - DIRECTORS

4.1 Duties of Directors

Subject to any unanimous shareholder agreement, the board shall manage, or supervise the management of, the business and affairs of the Corporation.

4.2 Qualifications of Directors

At least 25% of the directors on the board must be resident Canadians. If there are less than four directors, at least one director must be a resident Canadian. No person may be a director if such person is less than 18 years of age, of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual, or has the status of bankrupt. A director is not required to hold shares of the Corporation.

4.3 Election and Term

Directors shall be elected by the shareholders at the first meeting of shareholders after the effective date of this by-law and at each succeeding annual meeting at which an election of directors is required and shall hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. The number of directors to be elected at any such meeting shall be that number most recently determined by the board. The election need not be by ballot unless a ballot is demanded by any shareholder or required by the chairperson in accordance with section 8.21. If directors are not elected at an annual meeting of shareholders at which such election is required, the directors then in office shall continue in office until their successors are elected. The directors may, if the articles of the Corporation so provide, appoint one or more additional directors within the limits permitted in the Act, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders.

4.4 Removal of Directors

Subject to the Act, the shareholders may, by ordinary resolution passed by a majority of the votes cast at a special meeting of shareholders duly called for that purpose, remove any director and may at that meeting elect a qualified person for the remainder of such term.

4.5 Ceasing to Hold Office

A director may resign from office by notice in writing delivered or sent to the Corporation and such resignation shall become effective at the time the notice is delivered or sent or on such later date as may be specified in such notice. A director shall forthwith cease to hold office as a director should such director be found by a court in Canada or elsewhere to be of unsound mind, acquire the status of bankrupt, or be removed from office by the shareholders of the Corporation. Any attempt to amend or terminate any unanimous shareholder agreement without written consent of all persons who are then directors of the Corporation shall constitute the immediately effective resignation of all such directors who have not so consented.

4.6 Vacancies

- (a) A quorum of directors may fill a vacancy unless the vacancy arose from:
 - (i) an increase in the number or the minimum or maximum number of directors specified in the articles; or
 - (ii) a failure to elect the number or minimum number of directors provided for in the articles.
- (b) Whenever a vacancy occurs on the board which results in the board not having a quorum, or there has been a failure to elect the number or minimum number of directors provided for in the articles, the remaining directors shall forthwith call a special meeting of shareholders to fill the vacancy. If the board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.
- (c) The board may, if the articles of the Corporation so provide, 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 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.

4.7 Action by the Board

Subject to any unanimous shareholder agreement, and the Act, the board shall exercise its powers by or pursuant to a by-law or resolution passed at a meeting of directors at which a quorum is present and at which at least 25% of the directors present are resident Canadians or, if the Corporation has less than four directors, at least one of the directors present is a resident Canadian. The board may transact business at a meeting of directors where the required number of resident Canadian directors is not present if 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 the required number of resident Canadian directors would have been present had that director been present at the meeting. Where the Corporation has only one director, that director may constitute a meeting.

4.8 Quorum

A majority of the number of directors fixed or elected by shareholders from time to time shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.9 Action in Writing

A resolution in writing signed by all the directors entitled to vote thereon at a meeting of directors or of a committee of directors is as valid as if it had been passed at a meeting of directors.

4.10 Meetings by Telephone, Electronic or other Communication Facility

A director may, in accordance with the Regulations, if any, and if all of the directors of the Corporation consent, participate in a meeting of directors or of a committee of 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 who participates in such meeting by such means is deemed to be present at that meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while a director holds office.

4.11 Place of Meetings

Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Canada.

4.12 Calling of Meetings

Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairperson of the board, the managing director, the president or any two directors may determine.

4.13 Notice of Meetings

Notice of the time and place of each meeting of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities, except as authorized by the directors;
- (d) issue shares of a series, except as authorized by the directors;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares of the Corporation;
- (g) pay a commission for the sale of shares, except as authorized by the directors;
- (h) approve a management proxy circular;
- (i) approve a take-over bid or directors' circular;
- (j) approve any annual financial statements; or

- (k) adopt, amend or repeal by-laws.

4.14 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.15 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.16 Votes to Govern

At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairperson of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.17 Chairperson and Secretary

The chairperson of the board or, in the chairperson's absence, the president or, in the president's absence, a vice-president shall be chairperson of any meeting of the board. If none of these officers are present, the directors present shall choose one of their number to be chairperson. 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 chairperson of the meeting shall appoint a person who need not be a director to act as secretary of the meeting.

4.18 Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as directors as the board may from time to time authorize.

4.19 Conflict of Interest

- (a) A director or an officer of the Corporation shall disclose to the Corporation, either in writing or by requesting to have it entered in the minutes of meetings of directors or of meetings of committees of directors, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer:
 - (i) is a party of the contract or transaction;
 - (ii) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (iii) has a material interest in a party to the contract or transaction.

- (b) A director shall make such disclosure at the meeting at which a proposed contract or transaction is first considered, or if the director was not interested in the contract at that time, at the first meeting after he or she becomes so interested, even if the contract or transaction has already been made. If a person who is interested in a contract or transaction later becomes a director, the disclosure must be made at the first meeting after he or she becomes a director.
- (c) An officer who is not a director shall disclose his or her interest immediately after becoming aware that the contract, transaction, proposed contract or proposed transaction is to be or has been considered at a meeting, or, if the officer becomes interested after a contract or transaction has already been made, immediately after he or she becomes interested. An individual who is interested in a contract and later becomes an officer must disclose his or her interest immediately after becoming an officer.
- (d) If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's business, would not require approval by the board or shareholders, a director or officer shall disclose, in writing to the Corporation or request to have it entered in the minutes of meetings of the board or of meetings of committees of directors, the nature and extent of his or her interest immediately after he or she becomes aware of the contract or transaction.
- (e) A director or officer may satisfy their disclosure obligation by giving a general notice to the directors declaring that the director or officer is to be regarded as interested in a contract or transaction (entered into or proposed) made with a party because (a) he or she is a director or officer of the party or is acting in a similar capacity; (b) he or she has a material interest in the party; or (c) there has been a material change in the nature of the director's or officer's interest in the party.
- (f) The shareholders may examine the portions of any minutes of meetings of directors or committees of directors that contain conflict of interest disclosures, and any other documents that contain such disclosures, during the usual business hours of the Corporation.
- (g) A director required to make a disclosure under (a) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:
 - (i) relates primarily to his or her remuneration as a director, officer, employee or agent of the Corporation or an affiliate;
 - (ii) is for indemnity or insurance; or
 - (iii) is with an affiliate.

5 - COMMITTEES

5.1 Committees of Directors

The board may appoint a committee or committees of directors, however designated, and delegate to such committee or committees any of the powers of the board except powers to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor or appoint additional directors;
- (c) issue securities, including shares of a series, except as authorized by the board;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares of the Corporation, except as authorized by the board;
- (g) approve a management proxy circular;
- (h) approve a take-over bid or directors' circular;
- (i) approve any annual financial statements; or
- (j) adopt, amend or repeal by-laws.

5.2 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.3 Committee Meetings by Telephone, Electronic or other Communication Facility

The provisions of section 4.10 shall also apply to meetings of committees.

5.4 Procedure

Unless otherwise determined by the board, 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.

6 - OFFICERS

6.1 Appointment of Officers

Subject to any unanimous shareholder agreement, the board may from time to time appoint a chairperson of the board, a managing director (who shall be a resident Canadian), a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage, or supervise the management of, the business and affairs of the Corporation other than any of the powers listed in section 5.1. Except for a managing director and a chairperson of the board, an officer may but need not be a director and any person may hold more than one office.

6.2 Conflict of Interest

Officers, as defined in this by-law, shall disclose their interest in any material contract or proposed material contract with the Corporation in accordance with section 4.19.

7 - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnity of Directors and Officers

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or 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 by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation shall advance monies to such individual for the costs, charges and expenses of a proceeding referred to in (a) provided such individual agrees in advance, in writing, to repay the monies if the individual does not fulfill the condition of paragraph (c).
- (c) The Corporation may not indemnify an individual under paragraph (a) unless the individual:
 - (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

- (d) The Corporation shall also seek the approval of a court to indemnify an individual referred to in paragraph (a), or advance monies under paragraph (b) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a) against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions set out in paragraph (c).

7.2 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.1(a) against any liability incurred by the individual:

- (a) in the individual's capacity as a director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

8- MEETINGS OF SHAREHOLDERS

8.1 Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board, or the chairperson of the board, or the president in the absence of the chairperson of the board, may from time to time 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 auditors and for the transaction of such other business as may properly be brought before the meeting provided, in the case of any annual meeting called other than by the board, the board shall approve the submission to the meeting of any question or matter requiring the approval of the shareholders.

8.2 Special Meetings

The board shall have power to call a special meeting of shareholders at any time.

8.3 Resolution in lieu of meeting

A resolution in writing signed by all the shareholders entitled to vote thereon at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

8.4 Place of Meetings

Meetings of shareholders shall be held at such place within Canada as the directors shall determine or at any place outside Canada that may be specified in the articles or agreed to by all of the shareholders entitled to vote at the meeting. A shareholder who attends a meeting held outside Canada is deemed to have agreed to it being held outside Canada unless the shareholder attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

8.5 Participation in Meeting by Electronic Means

- (a) Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Regulations, if any, 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 such a communication facility available. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.
- (b) If the directors or the shareholders of the Corporation 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 Regulations, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

8.6 Record Date for Notice

The board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 21 days or such other period as may be prescribed by the Regulations, for the determination of the shareholders entitled to notice of the meeting. Notice of any such record date must be given, not less than seven days, or such other period as may be prescribed by the Regulations, before such record date, by newspaper advertisement published or distributed in the place where the registered office of the Corporation is situate and in each place in Canada where a transfer of the Corporation's shares may be recorded, unless notice of such record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date.

8.7 Notices of Meetings

Notice of the time and place of every meeting of shareholders shall be sent not less than 21 days nor more than 60 days before the meeting or such other period as may be prescribed by the Regulations, to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution to be submitted to the meeting. All business transacted at a special meeting of the shareholders and all business transacted at an annual meeting of shareholders, except consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

8.8 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare an alphabetical list of shareholders entitled to receive notice of the meeting, showing the number of shares held by each shareholder. If a record date for the meeting is fixed in advance by the directors in accordance with paragraph 8.6, the shareholders listed shall be those registered at the close of business on

such record date and such list shall be prepared not later than 10 days after 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 the notice of the meeting is given and such list shall be prepared on that 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 securities register is kept and at the meeting for which the list is prepared. Notwithstanding the foregoing, where no notice of meeting is given, the shareholders listed shall be those registered on the day on which the meeting is held and such list shall be prepared so that it is available at such meeting.

8.9 Record Date for Shareholders Entitled to Vote

The board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 21 days, or such other period as may be prescribed by the Regulations, for the determination of the shareholders entitled to vote at a meeting of shareholders.

8.10 List of Shareholders Entitled to Vote

For every meeting of shareholders, the Corporation shall prepare an alphabetical list of shareholders entitled as of the record date to vote at a meeting of shareholders, showing the number of shares held by each shareholder. If a record date for voting is fixed in advance by the directors in accordance with paragraph 8.9, the shareholders listed shall be those registered at the close of business on such record date and such list shall be prepared not later than 10 days after a record date. If no record date for voting is fixed, the Corporation shall prepare such list no later than 10 days after a record date is fixed for determining shareholders entitled to receive notice of the meeting, and if no record date is fixed for notice, then the list of shareholders entitled to vote shall be prepared no later than the close of business immediately preceding the day on which the notice is given or if no notice is given, the day on which the meeting is held.

8.11 Chairperson and Secretary

The chairperson of the board or, in the chairperson's absence, the president or, in the president's absence, a vice-president shall be chairperson of any meeting of shareholders. If none of these officers are present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairperson from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairperson of the meeting shall appoint some 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 resolution or by the chairperson with the consent of the meeting.

8.12 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 auditors 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 chairperson of the meeting or with the consent of the meeting.

8.13 Quorum

A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

8.14 Right to Vote

At any meeting of shareholders every person who is named in the list prepared in accordance with section 8.10 shall be entitled to vote the shares shown thereon opposite such person's name except to the extent that such person has transferred any of such shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that the transferee owns such shares, demands not later than 10 days before the meeting that the transferee's name be included on the list to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

8.15 Proxies and Representatives

Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or the shareholder's attorney. A body corporate or association which is a shareholder of the Corporation may be represented at a meeting of shareholders by any individual authorized by a resolution of its directors or governing body and such individual may exercise on behalf of the body corporate or association which such individual represents all the powers it could exercise if it were an individual shareholder.

8.16 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. 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, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

8.17 Joint Shareholders

If two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the share, but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

8.18 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by the majority of the votes cast.

8.19 Casting Vote

In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairperson of the meeting shall not be entitled to a second or casting vote.

8.20 Show of Hands

Any question at a meeting of shareholders shall be decided by a show of hands unless a ballot is required or demanded. 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 has been taken upon a question, unless a ballot is so required or demanded, a declaration by the chairperson 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 may be held, in accordance with the Regulations, if any, 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 electronically and entitled to vote at the meeting may vote, in accordance with the Regulations, if any, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

8.21 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 chairperson may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner, as the chairperson 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 that each person 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 that question.

8.22 Adjournment

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 is adjourned. 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.

8.23 One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

9 - SHARES

9.1 Issuance

Subject to the Act, the articles and any unanimous shareholder agreement, the board may from time to time issue or grant options to purchase 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.

9.2 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of their 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.

9.3 Securities Records

The Corporation shall maintain a register of shares and other securities in which it records the shares and other securities issued by it in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issue and transfer of each share or other security.

The share register shall be maintained at the registered office of the Corporation or at any other place within Canada designated by the directors, or at a place outside Canada designated by the directors if: (a) the records are available for inspection, by means of a computer terminal or other technology, during regular office hours at the registered office or any other place in Canada designated by the directors, and (b) the Corporation provides technical assistance to facilitate an inspection.

9.4 Registration of Transfer

Subject to the Act and the articles, no transfer of shares shall be registered unless:

- (a) the share or other security is endorsed by an appropriate person;
- (b) reasonable assurance is given that the endorsement is genuine and effective;
- (c) any applicable law relating to the collection of taxes has been complied with;

- (d) the transfer is rightful or is to a bona fide purchaser; and
- (e) any fee for a share or other security certificate prescribed by the board or in accordance with the Act has been paid.

The issuer has no duty to inquire into adverse claims or has discharged any such duty.

9.5 Lien for Indebtedness

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

9.6 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 dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.7 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgement of the holder's right to obtain a share certificate, stating the number and class or series of shares held by such shareholder as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board may from time to time approve. Unless otherwise ordered by the board, any share certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures may be printed or otherwise mechanically reproduced on the share certificates and such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. If a share certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the share certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the share certificate is as valid as if the person were a director or an officer at the date of its issue.

9.8 Replacement of Share Certificates

Subject to the Act, the board or any officer or agent designated by the board may in its or such officer or agent's discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding the amount prescribed by the Act or Regulations, 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.

9.9 Joint Shareholders

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.

9.10 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 payment of any dividends thereon except upon production of all such documents as may be required by the Act and upon compliance with the reasonable requirements of the Corporation.

10 - DIVIDENDS AND RIGHTS

10.1 Dividends

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

10.2 Dividend Cheques

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them 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 such holder's address recorded in the Corporation's securities register, unless in each case 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 address recorded in the securities register of the Corporation. The mailing of such cheque, in such manner, unless the cheque 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.

10.3 Non-receipt of Cheques

In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, 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 or loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.4 Record Date for Dividends

The board may fix in advance a date, preceding by not more than 60 days, or such other period as may be prescribed by the Regulations, the date for the payment of any dividend as a record date for the determination of the persons entitled to receive payment of such dividend, provided that notice of any such record date is given, not less than 7 days, or such other period as may be prescribed by the Regulations, before such record date, by advertisement in a newspaper

published or distributed in the place where the Corporation has its registered office and in each place in Canada where a transfer of the Corporation's shares may be recorded, unless notice of such record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date. If no record date is fixed in advance, the record date for the determination of the shareholders entitled to receive payment of any dividend shall be at the close of business on the day on which the resolution relating to such dividend is passed by the board.

10.5 Unclaimed Dividends

Any dividend unclaimed after a period of two years from the date on which the dividend has been declared to be payable shall be forfeited and shall revert to the Corporation.

11 - NOTICES

11.1 Method of Giving Notices

Any notice, communication or document ("notice") to be given, sent, delivered or served pursuant to the Act, the articles, the by-laws or otherwise to or on a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given, sent, delivered or served if delivered personally (whether in person, by courier service or other personal method of delivery) to the person to whom it is to be given or if delivered to such person's latest address, as shown in the securities register or in the records of the Corporation, as the case may be, or if mailed to such person at such address by prepaid ordinary or air mail or, subject to the Act regarding electronic documents, if sent to such person at such address by any means of prepaid transmitted, electronic or recorded communication, except where the Act requires a notice to be sent by registered mail.

A notice so delivered by prepaid mail or delivered personally is deemed to be received at the time it would have been delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholder or director did not receive the notice or document at that time or at all.

Subject to the Regulations, a notice so delivered by prepaid transmitted, electronic or recorded communication is deemed to have been provided when it leaves an information system within the control of the originator or another person who sent it on behalf of the originator and is deemed to be received when it enters the information system designated by the addressee or, if the notice is posted on or made available through a generally accessible electronic source, when it is accessed by the addressee.

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 the secretary to be reliable.

11.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

11.3 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, both the date of giving the notice and the date of the meeting or other event shall be excluded.

11.4 Undelivered Notices

If any notice given to a shareholder pursuant to section 11.1 is returned on two consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notice to such shareholder until such shareholder informs the Corporation in writing of the shareholder's new address.

11.5 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

11.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to such person's name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of such person's entitlement prescribed by the Act.

11.7 Waiver of Notice

Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board, which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, 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.

ENACTED by the board of directors of the Corporation and confirmed by the shareholders of the Corporation on January 31 ,2009.

DATED January 31 ,2009.

A handwritten signature in black ink, appearing to read 'Stephen P. Sigurdson', written over a horizontal line.

Stephen P. Sigurdson
Secretary

BY-LAW NO. 1

A by-law relating generally to the conduct
of the business and affairs of

TERRA NOVA SECURITIES LIMITED

(herein called the "Corporation")

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

I. INTERPRETATION

1.01 In this by-law, unless the context otherwise clearly requires:

- (a) "Act" means the *Business Corporations Act* (Ontario) and includes the Regulations made pursuant thereto;
- (b) "Articles" means the Articles of Incorporation of the Corporation as then in force;
- (c) "board" means the board of directors of the Corporation, or if there shall only be one director of the Corporation at any particular time, such director, and all references herein to the directors or the board means the directors of the Corporation acting as such or any duly empowered committee of the board;
- (d) "by-laws" means all by-laws, including special by-laws, of the Corporation as amended from time to time;
- (e) "Corporation" means this Corporation;
- (f) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation and a natural person in his capacity as trustee, executor, administrator or other legal representative.

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1.02 In this by-law where the context permits words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

1.03 All words and terms appearing in this by-law which are defined by the Act as having a particular meaning shall be deemed to have the same meanings they are respectively thereby defined as having, unless the context otherwise reasonably requires.

II. DIRECTORS

2.01 Place of Meetings. Meetings of the board may be held at the place where the registered office of the Corporation is then located, or at any place within Metropolitan Toronto; and may be held at any other place within or outside of Ontario with the written consent of all of the directors for the time being of the Corporation. Subject to the foregoing, a majority of the meetings of the board held in any financial year of the Corporation need not be held at places within Canada.

2.02 Calling of Meetings. Meetings of the board may be called for the transaction of any business by the Chairman, the President or a Vice-President who is a director, or any two directors, and the Secretary shall by written notice call meetings when directed or authorized by the Chairman, the President, any Vice-President who is a director, or any two directors. Written notice of the time and place for the holding of every meeting of the board specifying the general nature of the business to be transacted at the meeting shall be sent to every director of the Corporation not less than 48 hours (excluding Sundays and holidays) before the time when the meeting is to be held and need not be given on any longer notice.

2.03 Regular Meetings. The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board

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fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

2.04 Chairman. The chairman of any meeting of the board shall be the first-mentioned of such of the following officers as has then been appointed and who is then a director and is present at the meeting.

Chairman of the Board

President

A Vice-President who is then a director, if there shall be not more than one Vice-President who is a director, and the most senior of those Vice-Presidents who are then directors, if more than one Vice-President is a director

and if no such officer is present, the directors present shall choose one of their number to act as the chairman of the meeting.

2.05 Votes to Govern. At all meetings of the board, every question shall be decided by a majority of the votes cast on the question, and in the case of an equality of votes on any question at a meeting of the board, the chairman of the meeting shall not be entitled to a second or casting vote.

2.06 Remuneration. Any remuneration of the directors fixed by the board shall, in the absence of a provision to the contrary set forth in the resolution of the board fixing the same, be in addition to any salary or professional fees payable to a director who serves the Corporation in any other capacity. In addition, the directors shall be paid such sums as the board may from time to time determine in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties.

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2.06 Remuneration. Any remuneration of the directors fixed by the board shall, in the absence of a provision to the contrary set forth in the resolution of the board fixing the same, be in addition to any salary or professional fees payable to a director who serves the Corporation in any other capacity. In addition, the directors shall be paid such sums as the board may from time to time determine in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties.

2.07 Limitation of Liability. No director or officer of the Corporation shall be liable as such for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or 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 monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error in judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

2.08 Indemnity of Directors and Officers. Except as provided in the Act, every director and officer of the Corporation, every former director and officer of the Corporation, and every person who acts or acted at the Corporation's request as a director or officer of another corporation of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, shall at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of or having been a director or officer of the Corporation or such other corporation if, (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

2.09 Quorum At Meetings. The quorum at a meeting of the directors shall be as provided for in the Act.

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2.09 Quorum At Meetings. The quorum at a meeting of the directors shall be as provided for in the Act.

III. OFFICERS

3.01 Term, Remuneration or Removal. The terms of employment and remuneration of all officers of the Corporation shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration. All officers shall be subject to removal by resolution of the board at any time with or without cause.

3.02 Officers. Nothing contained in this section 3 shall be in limitation of the powers conferred upon the board by the Act to designate the offices of the Corporation, appoint officers, specify their duties and delegate them powers to manage the business and affairs of the Corporation. In the absence of any provision to the contrary contained in any resolution of the board, the persons appointed to the following respective offices shall have the following respective duties and powers, but, for certainty, the board may from time to time vary, add to, withhold, or limit the powers and duties of any officer or officers:

(a) Chairman of the Board - the Chairman of the Board, if one shall be appointed, shall be a director of the Corporation. The Chairman of the Board shall preside at each meeting of the board at which he is present and shall preside as Chairman of each meeting of the shareholders at which he is present. Unless his power as chief executive officer of the Corporation shall have been withheld by the board, the Chairman of the Board shall be the chief executive officer of the Corporation and as such shall be charged, subject to the authority of the board, with the general supervision of the business and affairs of the Corporation.

(b) President - the board shall at all times have elected or appointed a President. The President need not be a director of the Corporation. The President shall be the

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(b) President - the board shall at all times have elected or appointed a President. The President need not be a director of the Corporation. The President shall be the

chief operating officer of the Corporation. As such, subject to the supervision, control and direction of the Chairman of the Board, so long as one shall have been elected and his authority as the chief executive officer of the Corporation shall not have been withheld, and subject to the authority of the board, the President shall be charged with the general supervision of the day-to-day business and affairs of the Corporation, and subject as aforesaid the President shall have the power to appoint or remove any and all officers, employees and agents of the Corporation not elected or appointed directly by the board and to settle the terms of their employment and remuneration. The President shall exercise all of the powers and be charged with all of the duties of the office of Chairman of the Board during those respective periods of time during which such office shall be vacant. In the absence of the Chairman of the Board, if one has then been elected, the President shall preside as chairman of each meeting of the board at which he is present and acting as a director and as chairman of each meeting of the shareholders at which he is present. During the absence or inability of the Chairman of the Board, if one has then been elected, the President may perform the other duties and exercise the other powers of that office, if any, and if the President shall perform any of such duties or exercise any of such powers the absence or inability of the Chairman of the Board shall be presumed with respect thereto. If the authority of the Chairman of the Board to act as chief executive officer of the Corporation shall have been withheld by the board, the President shall also be the chief executive officer of the Corporation and as such charged, subject to the authority of the board, with the general supervision of the business and affairs of the Corporation.

(c) Secretary - the board shall at all times have elected or appointed a Secretary. The Secretary shall attend all meetings of the board and the shareholders and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and others entitled to notices of meetings; he shall be the custodian of the corporate seal of the Corporation, if the Corporation has a corporate seal, and of

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all books, papers, records, documents or other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

(d) Vice-President - the board may from time to time appoint one or more Vice-Presidents. The Vice-President, or if there are more than one, the Vice-Presidents in order of seniority (as determined by the board) shall be vested with all of the powers and shall perform all of the duties of the President in the absence or disability or refusal to act of the President, except that a Vice-President shall not preside at meetings of the board or of the shareholders except as may be specifically provided in the Corporation's by-laws. If a Vice-President exercises any duty or power of the President, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall also perform such other duties and exercise such other powers as the President may from time to time delegate to him or the board may prescribe.

(e) Treasurer - the Treasurer, if one shall be appointed, shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit or cause to be deposited all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the chief executive officer of the Corporation and the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

(f) Other Officers - the duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. 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 otherwise directs.

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(f) Other Officers - the duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. 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 otherwise directs.

3.03 Agents and Attorneys. The board shall have the power from time to time to appoint agents or attorneys for the Corporation within or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

3.04 Fidelity Bonds. The board may require such officers, employees and agents of the Corporation as it deems advisable to furnish bonds for the faithful performance of their duties, in such form and with such surety as the board may from time to time prescribe.

IV. SHAREHOLDERS

4.01 Who is to Preside At Meetings. The Chairman of the Board or, in his absence, the President, or in his absence a Vice-President who is a director, shall preside as Chairman at any meeting of shareholders, but if there is no Chairman of the Board, the President or such Vice-President, or if at a meeting none of them is present within fifteen minutes after the time appointed for the holding of the meeting, the shareholders present shall choose a person from their number to be the Chairman.

4.02 Persons Entitled To Be Present. The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

4.03 Scrutineers. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman of the meeting with the consent of

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4.03 Scrutineers. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman of the meeting with the consent of

the meeting to act as scrutineers at the meeting. Such scrutineers need not be shareholders of the Corporation.

4.04 Quorum At Meetings. The quorum at a meeting of the shareholders shall be a shareholder or shareholders present in person or represented by proxy and holding in excess of one-half of the number of shares of the Corporation entitled to be voted at such meeting.

V. SHARES

5.01 Lien for Indebtedness. Subject to the Act, the Corporation has a lien on shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. The Corporation may enforce the lien by:

(i) in the case of a lien on redeemable shares, redeeming the shares at their redemption price and applying the redemption price to the debt of the shareholder and paying any balance to the shareholder. If such redemption is made solely for the purpose of enforcing such lien, then subject to any provision to the contrary contained in the Act or the Articles the Corporation shall not be obliged to redeem any shares other than the redeemable shares being redeemed for such purpose; and

(ii) in the case of any such shares, including redeemable shares, by selling such shares or such portions thereof as the directors may from time to time in their discretion determine to such persons and on such terms as the directors may in their discretion have authorized, provided that not less than 30 days prior to the date of such sale the Corporation shall have provided a notice to such shareholder or his legal representative demanding payment of the debt and advising such shareholder or his legal representative that unless such debt together with any

the meeting to act as scrutineers at the meeting. Such scrutineers need not be shareholders of the Corporation.

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(ii) in the case of any such shares, including redeemable shares, by selling such shares or such portions thereof as the directors may from time to time in their discretion determine to such persons and on such terms as the directors may in their discretion have authorized, provided that not less than 30 days prior to the date of such sale the Corporation shall have provided a notice to such shareholder or his legal representative demanding payment of the debt and advising such shareholder or his legal representative that unless such debt together with any

interest accruing thereon up to the time of payment shall have been paid within such 30 days, the Corporation may thereafter without further notice to such shareholder or his legal representative effect a sale of all or any part of the shares of such shareholder pursuant to this provision. Such notice may be given by prepaid ordinary mail addressed to the shareholder at his last known address appearing on the records of the Corporation and in the event of such mailing such notice shall be deemed to have been received three days after the mailing thereof. The Corporation may, in lieu of such notice, advertise such notice at least 30 days before the intended date of the sale in a daily newspaper of general circulation published or distributed in the place where the Corporation has its registered office. The title of such shareholder or his legal representative to any such shares so sold shall, by that sale, be divested and transferred to the respective purchasers of such shares. The proceeds of such sale shall be applied, firstly, to pay the reasonable costs and expenses incurred by the Corporation in providing such notice or making such advertisement and in effecting such sale, and nextly pro tanto on account of a payment of all indebtedness then owing by such shareholder to the Corporation, and any balance thereafter remaining shall be paid to such shareholder or his legal representative.

Any sums which are payable by the Corporation to a shareholder or his legal representative pursuant to this section shall not bear interest unless payment thereof shall have been demanded by such shareholder or his legal representative and the Corporation shall have failed to pay the sum owing within a period of five days after such demand. In lieu of making payment of any sum which is payable to a shareholder or his legal representative pursuant to this section, the Corporation may deposit such sum to the credit of such shareholder or his legal representative with any Canadian chartered bank or trust company having an office in the City of Toronto, Ontario, and such deposit shall be deemed to satisfy all obligations of the Corporation to pay the sum so deposited to such shareholder or his legal representative.

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The enforcement of a lien pursuant to this section shall be without prejudice to any other right which the Corporation may have to enforce the lien which may in law be available to it or to any remedy available to the Corporation for collection of the debt or any part thereof.

5.02 Transfer Agent and Registrar. The Board may from time to time appoint a registrar to maintain any securities register and a transfer agent to maintain the register of transfers of such securities and may also appoint one or more branch registrars to maintain branch security registers and one or more branch transfer agents to maintain branch registers of transfers, and any one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

VI. DIVIDENDS

6.01 Payment. A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or any one of them to the order of each registered holder of shares of the class in respect of which it has been declared, which cheque may be mailed by prepaid ordinary mail to such registered holder at his last address appearing on the records of the Corporation. 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 if more than one address appears in the books of the Corporation in respect of such joint holders the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque shall not be paid on presentation. Upon proof being given to the Corporation of the non-receipt of any such cheque by the person to whom it was so sent, as aforesaid, and upon satisfactory indemnity being given to the Corporation in that regard, the Corporation shall issue to such person a replacement cheque for a like amount.

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6.02 Purchase of Business as of Past Date. Where any business is purchased by the Corporation as from a past date (whether such date be before or after the incorporation of the Corporation) upon terms that the Corporation shall as from that date take the profits and bear the losses of the business, such profits or losses, as the case may be, shall, at the discretion of the directors, be credited or debited wholly or in part to revenue account and in that case the amount so credited or debited shall, for the purpose of ascertaining the funds available for dividends, be treated as a profit or loss arising from the business of the Corporation.

VII. FINANCIAL YEAR

7.01 The financial or fiscal year of the Corporation shall be as determined from time to time by the Board.

VIII. NOTICES

8.01 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

8.02 Notice to Joint Shareholders. All notices with respect to any shares registered in the name of more than one holder may if more than one address appears in the records of the Corporation in respect of such holders be given to such holders at the first address so appearing, and notice so given shall be sufficient notice to all of the holders of such shares.

8.03 Persons Entitled by Death or Operation of Law. Every person who by operation of law, by transfer, by the death of a shareholder, or otherwise, becomes entitled to shares, is bound by every notice in respect of such shares which has been duly given to the registered

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holder of such shares prior to the name and address of such person being entered on the records of the Corporation as the holder of such shares.

8.04 Signature to Notices. The signature to any notice to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

IX. EXECUTION OF DOCUMENTS

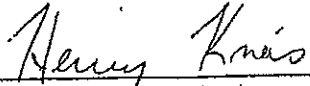
9.01 Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the President and Secretary alone, if one person shall hold both of such offices, and subject to the foregoing may be signed by the Chairman of the Board together with the President, if two different persons shall hold such two offices, or by the President or a Vice-President or a director together with the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer or another director. Notwithstanding the foregoing, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

9.02 Seal. Any person authorized to sign any document may affix the corporate seal of the Corporation thereto, if the Corporation has a corporate seal.

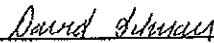
X. EFFECTIVE DATE

10.01 This by-law comes into force upon confirmation by the shareholders of the Corporation in accordance with the Act.

ENACTED as of the 22nd day of August, 1997.



PRESIDENT - Henry Kneis



SECRETARY - David Edward Schnarr

holder of such shares prior to the name and address of such person being entered on the records of the Corporation as the holder of such shares.

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IX. EXECUTION OF DOCUMENTS

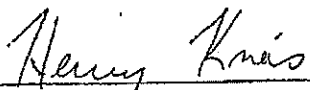
9.01 Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the President and Secretary alone, if one person shall hold both of such offices, and subject to the foregoing may be signed by the Chairman of the Board together with the President, if two different persons shall hold such two offices, or by the President or a Vice-President or a director together with the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer or another director. Notwithstanding the foregoing, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

9.02 Seal. Any person authorized to sign any document may affix the corporate seal of the Corporation thereto, if the Corporation has a corporate seal.

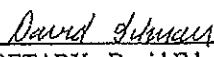
X. EFFECTIVE DATE

10.01 This by-law comes into force upon confirmation by the shareholders of the Corporation in accordance with the Act.

ENACTED as of the 22nd day of August, 1997.



PRESIDENT - Henry Kneis



SECRETARY - David Edward Schnarr

BY-LAW NO. 1A

a by-law relating generally to the transaction of the business and affairs of

MAPLE HOLDINGS CANADA LIMITED (the "Corporation")

1 - INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation, unless the context requires otherwise:

- (a) "Act" means the *Business Corporations Act* (Ontario), or any statute which may be substituted therefor, including the regulations made thereunder as amended from time to time;
- (b) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of re-organization, articles of revival, letters patent, supplementary letters patent, a special Act and any other instrument by which the Corporation is incorporated;
- (c) "board" means the board of directors of the Corporation and "director" means a member of the board;
- (d) "meeting of shareholders" means an annual meeting of shareholders or a special meeting of shareholders;
- (e) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario);
- (f) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in the capacity of trustee, executor, administrator, or other legal representative;
- (g) "resident Canadian" means a Canadian citizen ordinarily resident in Canada or as otherwise defined in the Act;
- (h) "unanimous shareholder agreement" means a written agreement among all the shareholders of the Corporation, or among all such shareholders and one or more persons who are not shareholders, or a written declaration by a person who is the registered holder of all the issued shares of the Corporation, that restricts, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the Corporation, as from time to time amended;

- (i) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders; and
- (j) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

1.2 Execution in Counterpart and by Electronic Means

Subject to the Act, signatures on any notice, resolution, requisition, statement or other document required or permitted to be executed for the purposes of the Act may be obtained by means of facsimile or other electronic means or by execution of several documents of like form, each of which is executed by one or more persons, and such documents, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document for the purposes of the Act.

1.3 Unanimous Shareholders Agreement

Where any provision in this by-law conflicts with any provision of a unanimous shareholder agreement, the provision of such unanimous shareholder agreement shall govern to the extent permitted by the Act.

2 - GENERAL BUSINESS

2.1 Registered Office

The registered office of the Corporation shall be in the municipality or geographical township within Ontario specified in the articles or in a special resolution and at such location therein as the board may from time to time determine.

2.2 Seal

The Corporation may have a seal which shall be adopted and may be changed by the board.

2.3 Financial Year

Until changed by the board, the financial year of the Corporation shall end on the 30th day of September in each year.

2.4 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any director or officer of the Corporation. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.5 Banking Arrangements

The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided.

3 - BORROWING

3.1 Borrowing

Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee or otherwise to secure the performance of an obligation; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 Delegation

Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement, the board may from time to time delegate to a director, a committee of directors or an officer of the Corporation or such other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

4 - DIRECTORS

4.1 Duties of Directors

Subject to any unanimous shareholder agreement, the board shall manage or supervise the management of the business and affairs of the Corporation.

4.2 Qualifications of Directors

At least 25% of the directors on the board shall be resident Canadians, but where the Corporation has less than four directors, at least one director shall be a resident Canadian. No person shall be a director if that person is less than 18 years of age, has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or

who has been found to be incapable by a court in Canada or elsewhere, is not an individual, or has the status of bankrupt. A director need not hold shares issued by the Corporation. If the Corporation is an offering corporation then at least one-third of the directors shall not be officers or employees of the Corporation or any of its affiliates.

4.3 Number of Directors

The board shall consist of such number of directors as shall be set out in the articles or as may from time to time be determined in accordance with the Act. If the board is empowered by special resolution to determine the number of directors within a range set out in the articles:

- (a) the board may appoint additional directors provided that after such appointment the total number of directors would not be greater than one and one-third times the number of directors required to have been elected at the last annual meeting nor greater than the maximum number set out above; and
- (b) the number of directors to be elected at the annual meeting shall be the number of directors last determined by the board.

4.4 Quorum

A majority of the number of directors as determined from time to time in accordance with the Act shall constitute a quorum for the transaction of business. If the Corporation has fewer than three directors, all directors must be present at any meeting to constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.5 Election and Term

Directors shall be elected by the shareholders at the first meeting of shareholders after the effective date of this by-law and at each succeeding annual meeting at which an election of directors is required and shall hold office until the next annual meeting of shareholders or, if elected for an expressly stated term, for a term expiring not later than the close of the third annual meeting of shareholders following the election. The number of directors to be elected at any such meeting shall be that number most recently determined in the manner referred to in section 4.3. The election need not be by ballot unless a ballot is demanded by any shareholder or required by the chairman in accordance with section 8.19. If an election of directors is not held at an annual meeting of shareholders at which such election is required, the incumbent directors shall continue in office until their successors are elected.

4.6 Removal of Directors

Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed by a majority of the votes cast at a meeting of shareholders, remove any director and may at that meeting elect a qualified person in place of that director for the unexpired term of such director's predecessor.

4.7 Ceasing to Hold Office

A director may resign as director by delivering a written resignation to the Corporation and such resignation becomes effective at the time the resignation is received by the Corporation or the time specified in the resignation, whichever is later. A director shall forthwith cease to hold office as a director should the director cease to be qualified in accordance with the Act. Any attempt to amend or terminate any unanimous shareholder agreement without written consent of all persons who are then directors of the Corporation shall constitute the immediately effective resignation of all such directors who have not so consented.

4.8 Vacancies

Subject to the Act, a quorum of directors (whether or not the majority of such quorum are resident Canadians) may fill a vacancy among the directors, except a vacancy resulting from:

- (a) an increase in the number of directors otherwise than pursuant to a special resolution empowering the board to fix the number of directors within a range set out in the articles;
- (b) an increase in the maximum number of directors set out in the articles; or
- (c) a failure to elect the number of directors required to be elected at any meeting of shareholders.

4.9 Action by the Board

Subject to any unanimous shareholder agreement, the board shall exercise its powers by or pursuant to a by-law or resolution either passed at a meeting of directors at which a quorum is present or consented to by the signatures of all the directors then in office if constituting a quorum. If the Corporation has only one director, that director may constitute a meeting.

4.10 Action in Writing

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors.

4.11 Meetings by Telephonic or Electronic Means

If all the directors present at or participating in a meeting consent, then any director may participate in such meeting by means of telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate simultaneously and instantaneously.

4.12 Place of Meetings

Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Ontario and in any financial year of the Corporation a majority of the meetings of the board need not be held in Canada.

4.13 Calling of Meetings

Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairman of the board, the managing director, the president, the secretary or any two directors may determine.

4.14 Notice of Meetings

Notice of the time and place of each meeting of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held and need not be in writing.

4.15 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.16 Adjourned Meeting

Notice of an adjourned meeting of the directors is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.17 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution by the board fixing the time and place of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

4.18 Votes to Govern

At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.19 Chairman and Secretary

The chairman of the board or, in the absence of the chairman, the president if a director or, in the absence of the president, a vice-president who is a director shall be chairman of any meeting of the board. If none of the said officers is present, the directors present shall choose one of their number to be chairman. 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.

4.20 Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as directors as the board may from time to time authorize. The directors shall also be entitled to be paid in respect of travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof or in otherwise serving the Corporation. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.21 Conflict of Interest

Subject to and in accordance with the provisions of the Act, a director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of such interest, and any such director shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall refrain from voting in respect thereof unless otherwise permitted by the Act.

5 - COMMITTEES

5.1 Committees of Directors

The board may appoint, from their number, a committee or committees of directors, however designated, and delegate to such committee or committees any of the powers of the board except powers to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint or remove any of the chief executive officer, however designated, the chief financial officer, however designated, the chairman of the board or the president of the Corporation;
- (c) issue securities except in the manner and on the terms authorized by the board;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares of the Corporation;

- (g) approve a management information circular;
- (h) approve a take-over bid, directors' circular or issuer bid circular;
- (i) approve any annual financial statements;
- (j) approve a short form amalgamation or an amendment to the Corporation's articles to create series of shares pursuant to subsection 168(2) of the Act or to change a number name pursuant to subsection 168(4) of the Act; or
- (k) adopt, amend or repeal by-laws.

5.2 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario and, subject to the provisions of section 4.11 which shall be applicable *mutatis mutandis*, may be held by means of telephone, electronic or other communications equipment.

5.3 Procedure

Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

6 - OFFICERS

6.1 Appointment of Officers

Subject to any unanimous shareholder agreement, the board may from time to time appoint a chairman of the board, a managing director, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of such officers and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation other than any of the powers listed in section 5.1. Except for a managing director and a chairman of the board, an officer need not be a director and any person may hold more than one office. The president or such other officer as the board may designate shall be the chief executive officer of the Corporation.

6.2 Agents and Attorneys

The board shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as the board may determine.

6.3 Conflict of Interest

An officer shall disclose an interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with section 4.21.

7 - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnity of Directors and Officers

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting 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 by such person in respect of any civil, criminal, administrative or investigative action or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation shall advance monies to such individual for the costs, charges and expenses of a proceeding referred to in paragraph (a) provided such individual agrees in advance, in writing, to repay the monies if the individual does not fulfill the conditions of paragraph (c).
- (c) The Corporation may not indemnify an individual under paragraph (a) unless the individual:
 - (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation shall also seek the approval of a court to indemnify an individual referred to in paragraph (a), or advance monies under paragraph (b) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions set out in paragraph (c).

7.2 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.1(a) against any liability incurred by the individual:

- (a) in the individual's capacity as a director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

8 - MEETINGS OF SHAREHOLDERS

8.1 Annual Meetings

The annual meeting of shareholders shall be held on such day and at such time in each year as the board, or the chairman of the board, or the president, in the absence of the chairman of the board, may from time to time 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 auditors and the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings

The board shall have power to call a special meeting of shareholders at any time.

8.3 Resolution in Lieu of Meeting

Except where a written statement is submitted by a director or where representations in writing are submitted by an auditor in accordance with the provisions of the Act, 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, and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting satisfies all the requirements of the Act relating to meetings of shareholders.

8.4 Place of Meetings

Subject to the articles and any unanimous shareholder agreement, a meeting of shareholders of the Corporation shall be held at such place in or outside Ontario as the board determines or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

8.5 Meeting by Electronic Means

A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through such means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.

8.6 Notices of Meetings

Notice of the time and place of every meeting of shareholders shall be sent, in the case of an offering corporation, not less than 21 days and, in the case of any other corporation, not less than 10 days, but in either case, not more than 50 days before the meeting to each shareholder entitled

to vote at the meeting, to each director and to the auditor of the Corporation. Notice of a meeting of shareholders at which special business is to be transacted shall state or be accompanied by a statement of the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

8.7 Record Date for Notice

The board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days, for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given not less than 7 days before such record date by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded, and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date. If no record date is fixed the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

8.8 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to be voted at the meeting held by each shareholder. If a record date for the meeting is fixed, such list shall be prepared as of such record date and not later than 10 days after such record date. If no record date is fixed, such list shall be prepared as of the close of business on the day immediately preceding the day on which the notice of the meeting is given and shall be prepared at such time. 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 its central securities register is maintained and at the meeting for which the list is prepared. Notwithstanding the foregoing, where no notice of meeting is given, such list shall be prepared as of the day on which the meeting is held and so that it is available at such meeting.

8.9 Chairman and Secretary

The chairman of the board or, in the absence of the chairman, the president or, in the absence of the president, a vice-president shall be chairman of any meeting of shareholders and, if none of the said officers be present within 15 minutes after the time appointed for holding the meeting, the shareholders present and entitled to vote shall choose a chairman from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation is absent, the chairman of the meeting shall appoint some 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 resolution or by the chairman with the consent of the meeting.

8.10 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 auditors 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 chairman of the meeting or with the consent of the meeting.

8.11 Quorum

A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting if the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting.

8.12 Right to Vote

At any meeting of shareholders every person who is named in the list referred to in section 8.8, shall be entitled to vote the shares shown thereon opposite such person's name.

8.13 Proxies and Representatives

Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, as that shareholder's nominee, to attend and act at the meeting in the manner, to the extent, and with the authority conferred by the proxy. A proxy shall be signed in writing or by electronic signature by the shareholder or shareholder's attorney authorized in writing or by electronic signature. A body corporate or association which is a shareholder of the Corporation may be represented at a meeting of shareholders by any individual authorized by a resolution of its directors or governing body of the body corporate or association and such individual may exercise on behalf of the body corporate or association represented all the powers it could exercise if it were an individual shareholder. In the case of a proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders of an offering corporation, the proxy ceases to be valid one year from its date.

8.14 Time for Deposit of Proxies

The board may by resolution fix a time not exceeding 48 hours, excluding non-business days, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy may be used at the meeting 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, if no such time is specified in such notice, it shall

have been received by the secretary of the Corporation or by the chairman of the meeting or adjournment thereof prior to the time of voting.

8.15 Joint Shareholders

Where two or more persons hold the same shares jointly, one of those holders present or represented by proxy at a meeting of shareholders may in the absence of the other or others vote such shares, but, if more than one of such persons are present or represented by proxy, that one of such persons whose name stands first on the securities register of the Corporation or that person's proxy shall alone be entitled to vote such shares.

8.16 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast, whether by a show of hands, or by ballot, as the case may be.

8.17 Casting Vote

In case of an equality of votes at any meeting of shareholders, regardless of the manner of voting, the chairman of the meeting shall not be entitled to a second or casting vote.

8.18 Show of Hands

Any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Every person who is present and entitled to vote thereon shall have one vote. Whenever a vote by any means other than by ballot is taken, a declaration by the chairman 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.

8.19 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 chairman may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairman 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 the person 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.

8.20 Adjournment

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 is adjourned. 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.

8.21 One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

9 - SECURITIES

9.1 Options or Rights

Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time issue or grant options to purchase or rights to acquire 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. The board may provide by resolution that any or all classes or series of shares issued by the Corporation shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate has been surrendered to the Corporation.

9.2 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of 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.

9.3 Securities Records

The Corporation shall prepare and maintain, at its registered office or at any other place in Ontario designated by the board, a securities register in which it records the certificated securities and uncertificated securities issued by it, showing with respect to each class or series of such securities:

- (a) the names, alphabetically arranged, of persons who,
 - (i) are or have been within six years registered as shareholders of the Corporation, the address including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder,
 - (ii) are or have been within six years registered as holders of debt obligations of the Corporation, the address including the street and number, if any, of

every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, or

- (iii) are or have been within six years registered as holders of warrants of the Corporation, other than warrants exercisable within one year from the date of issue, the address including the street and number, if any, of every such person while a registered holder, and the class or series and number of warrants registered in the name of such holder; and

- (b) the date and particulars of the issue of each security and warrant.

9.4 Register of Transfer

The Corporation shall cause to be kept a register of transfers in which all transfers of certificated securities and uncertificated securities issued by the Corporation and the date and other particulars of each transfer shall be set out.

9.5 Registration of Transfer

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except (i) with respect to a certificated security, upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by the holder's attorney or successor duly appointed, or (ii) with respect to an uncertificated security, an endorsement duly executed by the registered holder or by the holder's attorney or successor duly appointed, in either case together with such reasonable assurance or evidence of signature, identification and authority to transfer as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board or in accordance with the Act upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 9.6.

9.6 Lien for Indebtedness

Except in the case of any class or series of shares of the Corporation listed on a stock exchange, the Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation to the extent of such indebtedness and such lien may be enforced, subject to any provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or part of such shares.

9.7 Non-recognition of Trusts

Subject to the provisions of 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 dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.8 Security Instruments

Every holder of one or more certificated securities of the Corporation shall be entitled, at the holder's option, to a security certificate in respect of the securities held by that person or to a non-transferable written acknowledgement of that person's right to obtain a security certificate, stating the number and class or series of shares held by that person as shown on the securities register. Every holder of an uncertificated security of the Corporation shall be entitled to receive, and the Corporation shall ensure that such holder receives, within a reasonable time after the issuance or transfer of such uncertificated security a written notice containing the information required to be stated on a share certificate in accordance with the Act.

Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the board may from time to time approve. Unless otherwise ordered by the board, security certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures of signing officers may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation; provided that at least one director or officer of the Corporation shall manually sign each certificate (other than a scrip certificate or a certificate representing a fractional share or a warrant or a promissory note that is not issued under a trust indenture) in the absence of a manual signature thereon of a duly appointed transfer agent, registrar or branch transfer agent of the Corporation or trustee who certifies it in accordance with a trust indenture. A security certificate executed as aforesaid shall be valid notwithstanding that an officer whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

9.9 Replacement of Security Certificates

Subject to the provisions of the Act, the board or any officer or agent designated by the board may in the discretion of the board or that person direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate for a certificated security claimed to have been lost, apparently destroyed or wrongfully taken on payment of such fee, prescribed by or in accordance with the Act, 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.

9.10 Joint Shareholders

If two or more persons are registered as joint holders of any certificated security, 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.

9.11 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any certificated security, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by the Act and upon compliance with the reasonable requirements of the Corporation or transfer agent.

10 - DIVIDENDS AND RIGHTS

10.1 Dividends

Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the Corporation.

10.2 Dividend Cheques

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them 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 the address recorded in the Corporation's securities register, unless in each case 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, if more than one address is recorded in the Corporation's security register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. 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.

10.3 Non-receipt or Loss of Cheques

In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, 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.

10.4 Record Date for Dividends and Rights

The board may fix in advance a date as the record date for the determination of the shareholders entitled to receive payment of a dividend, entitled to participate in a liquidation or distribution, or for any other purpose except to receive notice of or to vote at a meeting, but the record date shall not precede by more than 50 days the particular action to be taken. Notice of the record date shall be given, not less than 7 days before such record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded and, where applicable, by written notice to each stock exchange in Canada on which

the Corporation's shares are listed for trading, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the board fixes the record date. If no such record date is fixed, such record date shall be the close of business on the day on which the directors pass the resolutions relating thereto.

10.5 Unclaimed Dividends

Any dividend unclaimed after a period of two years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

11 - NOTICES

11.1 Method of Giving Notices

Any notice, communication or document ("**notice**") to be given or sent pursuant to the Act, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given or sent if given or sent by prepaid mail, prepaid transmitted, recorded, or electronic communication capable of providing a written copy of such notice, or delivered personally to such person's latest address as shown on the securities register of the Corporation or, in the case of a director, if more current, the address as shown in the most recent notice filed under the *Corporations Information Act* (Ontario). A notice shall be deemed to have been received on the date when it is delivered personally, or on the fifth day after mailing, or on the date of dispatch of a transmitted or recorded electronic communication. 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 the secretary to be reliable. A notice or document required or permitted to be sent under this section may be sent by electronic means in accordance with the *Electronic Commerce Act, 2000*.

11.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

11.3 Computation of Time

In computing the date when notice must be sent under any provision requiring a specified period of days' notice of any meeting or other event, the period of days shall commence on the day following the sending of such notice and shall terminate on the day preceding the date of the meeting or other event provided that the last day of the period shall not be a non-business day.

11.4 Undelivered Notices

If any notice given or sent to a shareholder pursuant to section 11.1 is returned on three consecutive occasions because the person cannot be found, the Corporation shall not be required

to give or send any further notice to such shareholder until the Corporation is informed in writing of the new address for such person.

11.5 Omissions and Errors

The accidental omission to give or send any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

11.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given or sent to the shareholder from whom the person derives title to such share prior to that person's name and address being entered on the securities register (whether such notice was given or sent before or after the happening of the event upon which that person becomes so entitled) and prior to that person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

11.7 Waiver of Notice

Any shareholder (or shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the giving or sending of any notice, or waive or abridge the time for any notice, required to be given to that person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or sending or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing or given by electronic signature and may be sent by electronic means in accordance with the *Electronic Commerce Act, 2000* except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, 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.

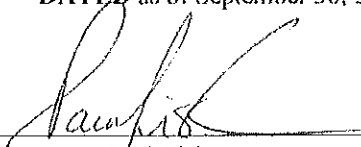
12 - REPEAL

12.1 Repeal

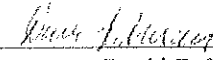
Upon this by-law coming into force, By-law No. 1 of the Corporation is repealed. However, such repeal shall not affect the previous operation of such By-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to such By-law prior to such repeal. All officers and persons acting under such repealed By-law shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or board with continuing effect passed under such repealed By-law shall continue good and valid, until amended or repealed, except to the extent inconsistent with this by-law.

The foregoing By-law No. 1A is passed as evidenced by the signatures of the directors of the Corporation pursuant to the provisions of the Act.

DATED as of September 30, 2014.



Paul Lishman

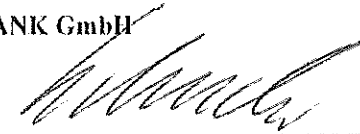


David E. Schnarr

The foregoing By-law No. 1A is confirmed as evidenced by the signature of the shareholder of the Corporation entitled to vote pursuant to the provisions of the Act.

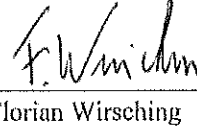
DATED as of September 30, 2014.

MAPLE BANK GmbH

By: 

Wolfgang Schuck

Chief Executive Officer

By: 

Florian Wirsching

Managing Director

BY-LAW NO. 1

a by-law relating generally
to the transaction of the
business and affairs of

MAPLE PARTNERS FUTURES CORP. (the "Corporation")

1 - INTERPRETATION

1.1 Definitions - In this by-law and all other by-laws of the Corporation, unless the context requires otherwise:

- (a) "the Act" means the *Business Corporations Act* (Ontario), or any statute which may be substituted therefor, including the regulations made thereunder as amended from time to time;
- (b) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of re-organization, articles of revival, letters patent, supplementary letters patent, a special Act and any other instrument by which the Corporation is incorporated;
- (c) "board" means the board of directors of the Corporation; and "director" means a member of the board;
- (d) "meeting of shareholders" means an annual meeting of shareholders or a special meeting of shareholders;
- (e) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario);
- (f) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in the capacity of trustee, executor, administrator, or other legal representative;
- (g) "resident Canadian" means a Canadian citizen ordinarily resident in Canada or as otherwise defined in the Act;
- (h) "unanimous shareholder agreement" means a written agreement among all the shareholders of the Corporation, or among all such shareholders and one or more persons who are not shareholders, or a written declaration by a person who is the

beneficial owner of all the issued shares of the Corporation, that restricts, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the Corporation, as may be from time to time amended;

- (i) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders;
- (j) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

1.2 Execution in Counterpart - Any articles, notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person for the purposes of the Act may be executed in several documents of like form each of which is executed by one or more of such persons, and such documents, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document for the purposes of the Act.

2 - GENERAL BUSINESS

2.1 Registered Office - The registered office of the Corporation shall be in the municipality or geographical township within Ontario specified in the articles or in a special resolution and at such location therein as the board may from time to time determine.

2.2 Seal - The Corporation may have a seal which shall be adopted and may be changed by the board.

2.3 Financial Year - Until changed by the board, the financial year of the Corporation shall end on the 30th day of September in each year.

2.4 Execution of Instruments - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any two directors or officers of the Corporation. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

The secretary or any other officer or any director may sign certificates and similar instruments (other than share certificates) on the Corporation's behalf with respect to any factual matters relating to the Corporation's business and affairs, including certificates verifying copies of the articles, by-laws, resolutions and minutes of meetings of the Corporation.

2.5 Banking Arrangements - The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided.

3 - BORROWING

3.1 Borrowing - Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee or otherwise to secure the performance of an obligation; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 Delegation - Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement, the board may from time to time delegate to a director, a committee of directors or an officer of the Corporation or such other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

4 - DIRECTORS

4.1 Duties of Directors - Subject to any unanimous shareholder agreement, the board shall manage or supervise the management of the business and affairs of the Corporation.

4.2 Qualifications of Directors - A majority of directors on the board shall be resident Canadians, but where a Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. No person shall be elected or appointed a director if that person is less than 18 years of age, of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual, or has the status of bankrupt. A director need not hold shares issued by the Corporation. At least one-third of the directors of an offering corporation shall not be officers or employees of the corporation or any of its affiliates.

4.3 Number of Directors - The board shall consist of such number of directors as shall be set out in the articles or as may from time to time be determined in accordance with the Act. Where the board is empowered by special resolution to determine the number of directors within a range set out in the articles:

- (a) the directors may appoint additional directors provided that after such appointment the total number of directors would not be greater than one and one-third times the number of directors required to have been elected at the last annual meeting nor greater than the maximum number set out above; and
- (b) the number of directors to be elected at the annual meeting shall be the number of directors last determined by the board.

4.4 Quorum - A majority of the number as determined from time to time in accordance with the Act shall constitute a quorum for the transaction of business. Where the corporation has fewer than three directors, all directors must be present at any meeting to constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.5 Election and Term - Directors shall be elected by the shareholders at the first meeting of shareholders after the effective date of this by-law and at each succeeding annual meeting at which an election of directors is required and shall hold office until the next annual meeting of shareholders or, if elected for an expressly stated term, for a term expiring not later than the close of the third annual meeting of shareholders following the election. The number of directors to be elected at any such meeting shall be that number most recently determined in the manner referred to in section 4.3. The election need not be by ballot unless a ballot is demanded by any shareholder or required by the chairman in accordance with section 8.18. If an election of directors is not held at an annual meeting of shareholders at which such election is required, the incumbent directors shall continue in office until their successors are elected.

4.6 Removal of Directors - Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed by a majority of the votes cast at a meeting of shareholders, remove any director and may at that meeting elect a qualified person in place of that director for the unexpired term of such director's predecessor.

4.7 Ceasing to Hold Office - A director may resign as director by delivering a written resignation to the Corporation and such resignation becomes effective at the time the resignation is received by the Corporation or the time specified in the resignation whichever is later. A director shall forthwith cease to hold office as a director should the director cease to be qualified in accordance with the Act. Any attempt to amend or terminate any unanimous shareholder agreement without written consent of all persons who are then directors of the Corporation shall constitute the immediately effective resignation of all such directors who have not so consented.

4.8 Vacancies - Subject to the Act, a quorum of directors (whether or not the majority of such quorum are resident Canadians) may fill a vacancy among the directors, except a vacancy resulting from,

- (a) an increase in the number of directors otherwise than an increase in the board of directors pursuant to a special resolution empowering the board to fix the number of directors within a range set out in the articles; or,
- (b) an increase in the maximum number of directors set out in the articles, as the case may be; or,
- (c) a failure to elect the number of directors required to be elected at any meeting of shareholders.

4.9 Action by the Board - Subject to any unanimous shareholder agreement, the board shall exercise its powers by or pursuant to a by-law or resolution either passed at a meeting of directors at which a quorum is present and at which a majority of the directors present are resident Canadians or consented to by the signatures of all the directors then in office if constituting a quorum. Where a corporation has fewer than three directors, one of the directors present at a meeting of directors shall be a resident Canadian. Subject to the Act, the board may transact business at a meeting of directors where a majority of resident Canadian directors is not present if a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting, and a majority of resident Canadian directors would have been present had that director been present at the meeting. Where the Corporation has only one director, that director may constitute a meeting.

4.10 Action in Writing - A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors.

4.11 Meetings by Telephone - Any director may participate in a meeting of the board by means of such telephone, electronic, or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, if all the directors present at or participating in the meeting consent to the holding of meetings in such manner.

4.12 Place of Meetings - Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Ontario and in any financial year of the Corporation a majority of the meetings of the board need not be held in Canada.

4.13 Calling of Meetings - Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairman of the board, the managing director, the president, the secretary or any two directors may determine.

4.14 Notice of Meetings - Notice of the time and place of each meeting of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held and need not be in writing.

4.15 First Meeting of New Board - Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.16 Adjourned Meeting - Notice of an adjourned meeting of the directors is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.17 Regular Meetings - The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution by the board fixing the time and place of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

4.18 Votes to Govern - At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.19 Chairman and Secretary - The chairman of the board or, in the absence of the chairman, the president if a director or, in the absence of the president, a vice-president who is a director shall be chairman of any meeting of the board. If none of the said officers is present, the directors present shall choose one of their number to be chairman. The secretary of the Corporation shall act as secretary at any meeting of the board and, if the secretary of the Corporation be absent, the chairman of the meeting shall appoint a person who need not be a director to act as secretary of the meeting.

4.20 Remuneration and Expenses - Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as directors as the board may from time to time authorize. The directors shall also be entitled to be paid in respect of travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof or in otherwise serving the Corporation. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.21 Conflict of Interest - Subject to and in accordance with the provisions of the Act, a director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of such interest, and any such director shall refrain from voting in respect thereof unless otherwise permitted by the Act.

5 - COMMITTEES

5.1 Committees of Directors - The board may appoint, from their number, a committee or committees of directors, however designated, and delegate to such committee or committees any of the powers of the board except powers to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint or remove any of the chief executive officer, however designated, the chief financial officer, however designated, the chairman of the board or the president of the corporation;
- (c) issue securities except in the manner and on the terms authorized by the directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares of the Corporation;
- (g) approve a management information circular;
- (h) approve a take-over bid or directors' circular;
- (i) approve any annual financial statements; or
- (j) adopt, amend or repeal by-laws.

A majority of the members of any such committee shall be resident Canadians.

5.2 Transaction of Business - The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario and, subject to the provisions of section 4.11 which shall be applicable mutatis mutandis, may be held by means of telephone or other communications equipment.

5.3 Procedure - Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

6 - OFFICERS

6.1 Appointment of Officers - Subject to any unanimous shareholder agreement, the board may from time to time appoint a chairman of the board, a managing director (who shall be a resident Canadian), a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of such officers and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation other than any of the powers listed in section 5.1. Except for a managing director and a chairman of the board, an officer need not be a director and one person may hold more than one office. The president or such other officer as the board may designate shall be the chief executive officer of the Corporation.

6.2 Agents and Attorneys - The board shall have the power from time to time to appoint agents or attorneys for the Corporation in or out of Ontario with such powers of management or otherwise (including the power to sub-delegate) as the board may determine.

6.3 Conflict of Interest - An officer shall disclose an interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with section 4.21.

7 - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnity of Directors and Officers - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and the heirs and legal representatives of any such person, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a director or officer of such corporation or body corporate, if

- (a) the person acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the relevant conduct was lawful.

The Corporation may, with the approval of the court, indemnify a person referred to above in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, to which the person is made a party by reason of being or having been a director or an officer of the Corporation or body corporate, against all costs, charges and expenses reasonably incurred by that person in connection with such action if the person fulfills the conditions set out in (a) and (b) above.

Notwithstanding anything in this section, a person referred to above is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by that person in connection with the defence of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a director or officer of the Corporation or body corporate, if the person seeking indemnity,

- (a) was substantially successful on the merits in that person's defence of the action or proceeding; and
- (b) fulfills the conditions set out in (a) and (b) above.

7.2 Insurance - Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person referred to above against any liability incurred by that person,

- (a) in the capacity as a director or officer of the Corporation, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the Corporation; or
- (b) in the capacity as a director or officer of another body corporate where said person acts or acted in that capacity at the Corporation's request, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the body corporate.

8 - MEETINGS OF SHAREHOLDERS

8.1 Annual Meetings - The annual meeting of shareholders shall be held on such day and at such time in each year as the board, or the chairman of the board, or the president, in the absence of the chairman of the board, may from time to time 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 auditors and the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings - The board shall have power to call a special meeting of shareholders at any time.

8.3 Resolution in Lieu of Meeting - Except where a written statement is submitted by a director or where representations in writing are submitted by an auditor in accordance with the provisions of the Act, 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; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders.

8.4 Place of Meetings - Subject to the articles and any unanimous shareholder agreement, a meeting of shareholders of the Corporation shall be held at such place in or outside Ontario as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

8.5 Notices of Meetings - Notice of the time and place of every meeting of shareholders shall be sent in the case of an offering corporation, not less than 21 days and, in the case of any other corporation, not less than 10 days, but in either case, not more than 50 days before the meeting to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation. Notice of a meeting of shareholders at which special business is to be transacted shall state or be accompanied by a statement of (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and (ii) the text of any special resolution or by-law to be submitted to the meeting. All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

8.6 Record Date for Notice - The board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given, not less than 7 days before such record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded, and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date. If no record date is fixed the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given.

8.7 List of Shareholders Entitled to Notice - For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to be voted at the meeting held by each shareholder. If a record date for the meeting is fixed, such list shall be prepared as of such record date and not later than 10 days after such record date. If no record date is fixed, such list shall be prepared as of the close of business on the day immediately preceding the day on which the notice of the meeting is given and shall be prepared at such time. 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 its central securities register is maintained and at the meeting for which the list is prepared. Notwithstanding the foregoing, where no notice of meeting is given, such list shall be prepared as of the day on which the meeting is held and so that it is available at such meeting.

8.8 Chairman and Secretary - The chairman of the board or, in the absence of the chairman, the president or, in the absence of the president, a vice-president shall be chairman of any meeting of

shareholders and, if none of the said officers be present within 15 minutes after the time appointed for holding the meeting, the shareholders present and entitled to vote shall choose a chairman from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairman of the meeting shall appoint some 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 resolution or by the chairman with the consent of the meeting.

8.9 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 auditors 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 chairman of the meeting or with the consent of the meeting.

8.10 Quorum - A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting.

8.11 Right to Vote - At any meeting of shareholders every person who is named in the list referred to in section 8.7, shall be entitled to vote the shares shown thereon opposite such person's name except to the extent that such person has transferred any of such shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that the transferee owns such shares, demands not later than the time at which the meeting commences that the transferred name be included on the list to vote the transferred shares at the meeting.

8.12 Proxies and Representatives - Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, as that shareholder's nominee, to attend and act at the meeting in the manner, to the extent, and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or shareholder's attorney authorized in writing. A body corporate or association which is a shareholder of the Corporation may be represented at a meeting of shareholders by any individual authorized by a resolution of its directors or governing body of the body corporate or association and such individual may exercise on behalf of the body corporate or association represented all the powers it could exercise if it were an individual shareholder. In the case of a proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders of an offering corporation, the proxy ceases to be valid one year from its date.

8.13 Time for Deposit of Proxies - The directors may by resolution fix a time not exceeding forty-eight hours, excluding non-business days, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy may be used at the meeting 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, if no such time

is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairman of the meeting or adjournment thereof prior to the time of voting.

8.14 Joint Shareholders - Where two or more persons hold the same shares jointly, one of those holders present or represented by proxy at a meeting of shareholders may in the absence of the other or others vote such shares, but, if more than one of such persons are present or represented by proxy, that one of such persons whose name stands first on the securities register of the Corporation or that person's proxy shall alone be entitled to vote such shares.

8.15 Votes to Govern - Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by the majority of the votes cast, whether by a show of hands or by ballot, as the case may be.

8.16 Casting Vote - In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairman of the meeting shall not be entitled to a second or casting vote.

8.17 Show of Hands - Any question at a meeting of shareholders shall be decided by a show of hands 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 thereon 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 chairman 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.

8.18 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 chairman may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairman 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 the person 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.

8.19 Adjournment - 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 is adjourned. 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.

8.20 One Shareholder - Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

9 - SECURITIES

9.1 Options or Rights - Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time issue or grant options to purchase or rights to acquire 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.

9.2 Commissions - The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of 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.

9.3 Securities Records - The Corporation shall prepare and maintain, at its registered office or at any other place in Ontario designated by the board, a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged, of persons who,
 - (i) are or have been within six years registered as shareholders of the Corporation, the address including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder,
 - (ii) are or have been within six years registered as holders of debt obligations of the Corporation, the address including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, or
 - (iii) are or have been within six years registered as holders of warrants of the Corporation, other than warrants exercisable within one year from the date of issue, the address including the street and number, if any, of every such person while a registered holder, and the class or series and number of warrants registered in the name of such holder; and
- (b) the date and particulars of the issue of each security and warrant.

9.4 Register of Transfer - The Corporation shall cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

9.5 Registration of Transfer - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by the holder's attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board or in accordance with the Act upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 9.6.

9.6 Lien for Indebtedness - Except in the case of any class or series of shares of the Corporation listed on a stock exchange, the Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation, to the extent of such indebtedness and such lien may be enforced, subject to any provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or part of such shares.

9.7 Non-recognition of Trusts - Subject to the provisions of 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 dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.8 Security Instruments - Every holder of one or more securities of the Corporation shall be entitled, at the holder's option, to a security certificate in respect of the securities held by that person or to a non-transferable written acknowledgement of that person's right to obtain a security certificate, stating the number and class or series of shares held by that person as shown on the securities register. Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the board may from time to time approve. Unless otherwise ordered by the board, security certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures of signing officers may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation; provided that at least one director or officer of the Corporation shall manually sign each certificate (other than a scrip certificate or a certificate representing a fractional share or a warrant or a promissory note that is not issued under a trust indenture) in the absence of a manual signature thereon of a duly appointed transfer agent, registrar, branch transfer agent or issuing or other authenticating agent of the Corporation or trustee who certifies it in accordance with a trust indenture. A security certificate executed as aforesaid shall be valid notwithstanding that an officer whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

9.9 Replacement of Security Certificates - Subject to the provisions of the Act, the board or any officer or agent designated by the board may in the discretion of the board or that person direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate claimed to

have been lost, apparently destroyed or wrongfully taken on payment of such fee, prescribed by or in accordance with the Act, 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.

9.10 Joint Shareholders - 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.

9.11 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 payment of any dividends thereon except upon production of all such documents as may be required by the Act and upon compliance with the reasonable requirements of the Corporation or transfer agent.

10 - DIVIDENDS AND RIGHTS

10.1 Dividends - Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the Corporation.

10.2 Dividend Cheques - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them 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 the address recorded in the Corporation's securities register, unless in each case 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, if more than one address is recorded in the Corporation's security register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. 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.

10.3 Non-receipt or Loss of Cheques - In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, 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.

10.4 Record Date for Dividends and Rights - The board may fix in advance a date as the record date for the determination of the shareholders entitled to receive payment of a dividend, entitled to participate in a liquidation or distribution, or for any other purpose except to receive notice of or to vote at a meeting, but the record date shall not precede by more than 50 days the particular action to be taken. Notice of the record date shall be given, not less than 7 days before such record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date. If no such record date is fixed, such record date shall be the close of business on the day on which the directors pass the resolutions relating thereto.

10.5 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.

11 - NOTICES

11.1 Method of Giving Notices - Any notice, communication or document ("notice") to be given or sent pursuant to the Act, the articles, the by-laws or otherwise to or on a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given or sent if given or sent by prepaid mail, prepaid transmitted or recorded communication, or delivered personally to such person's latest address as shown on the securities register of the Corporation or, in the case of a director, if more current, the address as shown in the most recent notice filed under the Corporations Information Act (Ontario). A notice shall be deemed to have been received on the date when it is delivered personally, or on the fifth day after mailing, or on the date of dispatch of a transmitted or recorded communication. 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 the secretary to be reliable.

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

11.3 Computation of Time - In computing the date when notice must be sent under any provision requiring a specified period of days' notice of any meeting or other event, the period of days shall commence on the day following the sending of such notice and shall terminate on the day preceding the date of the meeting or other event provided that the last day of the period shall not be a non-business day.

11.4 Undelivered Notices - If any notice given or sent to a shareholder pursuant to section 11.1 is returned on three consecutive occasions because the person cannot be found, the Corporation shall

not be required to give or send any further notice to such shareholder until the Corporation is informed in writing of the new address for such person.

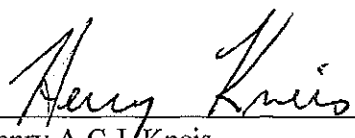
11.5 Omissions and Errors - The accidental omission to give or send any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

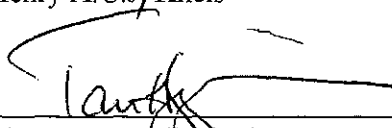
11.6 Persons Entitled by Death or Operation of Law - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given or sent to the shareholder from whom the person derives title to such share prior to that person's name and address being entered on the securities register (whether such notice was given or sent before or after the happening of the event upon which that person becomes so entitled) and prior to that person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

11.7 Waiver of Notice - Any shareholder (or shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the giving or sending of any notice, or waive or abridge the time for any notice, required to be given to that person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or sending or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, 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.

The foregoing By-law No. 1 is hereby passed as evidenced by the signatures of all the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario).

DATED as of the 7th day of July, 1998.


Henry A.C.J. Kneis

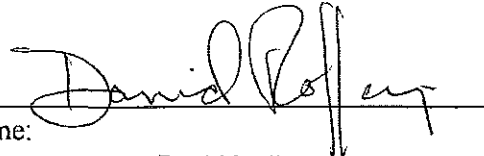

Thomas Russell Higgins

The foregoing By-law No. 1 is hereby confirmed as evidenced by the signature of the sole

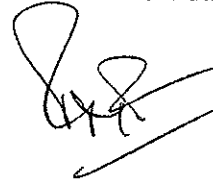
shareholder of the Corporation entitled to vote pursuant to the provisions of the *Business Corporations Act* (Ontario).

DATED as of the 7th day of July, 1998.

MAPLE PARTNERS FINANCIAL GROUP

By: 
Name: _____

Title: **David Roffey**
President & C.E.O.



Roger Prichard
Chief Financial Officer

TAB 2C

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as “Maple Bank”)**

**RE: NOTICE OF PRINCIPAL CLAIMS BAR DATE IN RESPECT OF CLAIMS
ASSERTED AGAINST PRINCIPAL OF MAPLE BANK**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 25, 2016 (the “**Distribution / Additional Claims Order**”). The Distribution / Additional Claims Order provides that Proofs of Claim must be submitted to the Liquidator **by 4:00p.m. Eastern Time on January 25, 2017** (the “**Principal Claims Bar Date**”) for any claim against the principal officer (the “**Principal**”) of Maple Bank that relate to amounts for which the Principal may in law be liable to pay in such capacity and that arose prior to the Winding-Up Date including claims against the Principal in his capacity as a director and officer of **Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, Maple Partners America Inc., and Maple Financial US Holdings Inc.** that arose prior to the Winding-Up Date. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777-3091, by fax (416) 777-3364 or by email (svnededic@kpmg.ca).

TAKE NOTE THAT CLAIMS IN RESPECT OF THE PRINCIPAL (AS OUTLINED ABOVE) WHICH ARE NOT RECEIVED BY THE PRINCIPAL CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Completed Proofs of Claim in respect of claims against the Principal (as outlined above) must be received by the Liquidator by 4:00 p.m. (Eastern Time) on January 25, 2017. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this _____ day of _____, 2016.

KPMG Inc. in its capacity as Court-appointed
Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5, Canada

Attention: Sven Dedic: svnededic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

TAB 2D

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as “Maple Bank”)**

**RE: NOTICE OF FIRST DISTRIBUTION FOR MAPLE BANK PURSUANT TO THE
WINDING-UP AND RESTRUCTURING ACT (the “WURA”)**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 25, 2016 (the “**Distribution / Additional Claims Order**”). The Distribution / Additional Claims Order provides for the approval of a first distribution to Maple Bank’s creditors who have submitted a proof of claim that has been accepted and admitted by the Liquidator; on or after December 19, 2016 (the “**Distribution Date**”). This notice is provided to advise all creditors of Maple Bank of the distribution on or after the Distribution Date and to request that any creditor that has not yet filed a proof of claim with the Liquidator to do so forthwith to ensure that their claim is submitted to the Liquidator **PRIOR TO THE DISTRIBUTION DATE** for consideration by the Liquidator. Creditors who have already submitted a Proof of Claim are **NOT** required to re-submit a Proof of Claim as a result of this notice. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777- 3091, by fax (416) 777-3364 or by email (svendedic@kpmg.ca).

Proofs of Claim must be submitted to the Liquidator **by 4:00p.m. Eastern Time on December 16, 2016** for any claim against (a) Maple Bank, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose on or prior to February 16, 2016 (the “**Winding-Up Date**”), or (ii) arose after the Winding-Up Date as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement. Please consult the Proof of Claim package for more details.

TAKE NOTE THAT FAILURE TO SEND IN A PROOF OF CLAIM BY 4:00 P.M. EASTERN TIME ON DECEMBER 16, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE WITHOUT REGARD TO ANY CLAIM NOT SUBMITTED BY THAT DATE.

Completed Proofs of Claim must be received by the Liquidator by 4:00 p.m. (Eastern Time) on December 16, 2016. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this _____ day of _____, 2016.

KPMG Inc. in its capacity as Court-appointed
Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600

Toronto, ON M5H 2S5, Canada

Attention: Sven Dedic: svendedic@kpmg.ca

Fax: (416) 777-3364

Phone: (416) 777-3091

**IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED**

ATTORNEY GENERAL OF CANADA

- and - **MAPLE BANK GmbH**

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto**

**SUPPLEMENTARY MOTION RECORD
(Returnable November 25, 2016)**

GOWLING WLG (CANADA) LLP
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, Ontario M5X 1G5

Alex MacFarlane (LSUC No.: 28133Q)
alex.macfarlane@gowlingwlg.com

Thomas Gertner (LSUC No.: 67756S)
thomas.gertner@gowlingwlg.com

Tel: (416) 862-7525
Fax: (416) 862-7661

Lawyers for KPMG Inc., in its capacity as Liquidator of the
business in Canada of Maple Bank GmbH and its assets.