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Ministry of
Government Services

Ministère des
Services gouvernementaux

CERTIFICATE
This is to certify that these
articles are effective on

CERTIFICAT
Ceci certifie que les présents
statuts entrent en vigueur le

Ontario Corporation Number
Numéro de la société en Ontario

2487001

Amalgamation Number

1950048

MARCH 01 MARS 2016

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

Form 8
Business
Corporations
Act

Formule 8
Loi sur les
sociétés par
actions

**ARTICLES OF ARRANGEMENT
STATUTS D'ARRANGEMENT**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

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2. The new name of the corporation if changed by the arrangement: (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société si elle est modifiée par suite de l'arrangement :
(Écrire en LETTRES MAJUSCULES SEULEMENT)

C	R	E	S	C	I	T	A			T	H	E	R	A	P	E	U	T	I	C	S			I	N	C	.														

3. Date of incorporation/amalgamation: / Date de la constitution ou de la fusion :

2015-10-14

Year, Month, Day / année, mois, jour

4. The arrangement has been approved by the shareholders of the corporation in accordance with section 182 of the Business Corporation Act. / Les actionnaires de la société ont approuvé l'arrangement conformément à l'article 182 de la Loi sur les sociétés par actions.

5. A copy of the arrangement is attached to these articles as Exhibit "A" / Une copie de l'arrangement constitue l'annexe «A».

6. The arrangement was approved by the court on / La cour a approuvé l'arrangement le

2016-02-24

Year, Month, Day / année, mois, jour

and a certified copy of the Order of the court is attached to these articles as Exhibit "B". / Une copie certifiée conforme de l'ordonnance de la cour constitue l'annexe «B».

7. The terms and conditions to which the scheme is made subject by the Order have been complied with.

Les conditions que l'ordonnance impose au projet d'arrangement ont été respectées.

These articles are signed in duplicate. / Les présents statuts sont signés en double exemplaire.

2487001 Ontario Limited

Name of Corporation / Dénomination sociale de la société

By/
Par :

Signature / Signature
Stephen Lemieux

Director

Description of Office / Fonctions

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.

LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE A TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS 24th DAY OF February, 2016
FAIT A TORONTO LE C. Irwin
REGISTRAR Registrar GREFFIER

Court File No.: CV-15-11229-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

) WEDNESDAY, THE 24TH

JUSTICE NEWBOULD

)
) DAY OF FEBRUARY, 2016



IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING NUVO RESEARCH INC., ITS SECURITYHOLDERS, 2487001 ONTARIO LIMITED AND 2487002 ONTARIO LIMITED

NUVO RESEARCH INC.

Applicant

ORDER

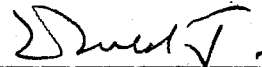
THIS APPLICATION made by the Applicant pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "OBCA"), for an order approving a proposed arrangement (the "Arrangement"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application issued on December 16, 2015, the affidavit of Stephen Lemieux sworn January 4, 2016, the supplementary affidavit of Stephen Lemieux sworn February 22, 2016, together with the exhibits thereto, the affidavit of mailing of Larry Calixtro sworn January 26, 2016, the confirmation of mailing of Joanna DiBenedetto dated January 26,


2016 and the Interim Order of the Honourable Justice Newbould dated January 7, 2016, all filed,
and

ON HEARING the submissions of counsel for the Applicant, no one appearing for any other person, including any shareholder, option holder, holder of share appreciation rights or holder of deferred share units of Nuvo, and having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order is an arrangement for the purposes of section 182 of the OBCA and is fair and reasonable in accordance with the requirements of that section,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved.
2. **THIS COURT ORDERS** that the Applicant shall be entitled to seek leave to vary this order upon such terms and upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 24 2016


PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 182
OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set out below and grammatical variations of such terms will have the corresponding meanings:

“Amalgamating Corporations” means Holdco and Subco;

“Applicable Law” means, with respect to any Person, any domestic or foreign federal, national, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise;

“Arrangement” means the arrangement pursuant to the provisions of section 182 of the OBCA on the terms set forth in this Plan of Arrangement, subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement, this Plan of Arrangement or at the direction of the Court;

“Arrangement Agreement” means the arrangement agreement dated December 14, 2015 between Nuvo, Subco and Holdco relating to the Arrangement, as it may be amended, modified or supplemented from time to time in accordance with its terms;

“Arrangement Date” means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

“Arrangement Resolution” means the special resolution of the Shareholders approving this Plan of Arrangement as required by the OBCA and the Interim Order;

“Arrangement Time” means 12:10 a.m. (Eastern Time) on the Arrangement Date;

“Articles of Arrangement” means the articles of arrangement of Nuvo in respect of the Arrangement in the form required by the OBCA to be sent to the OBCA Director following the issuance of the Final Order;

“Board” or “Board of Directors” means the Board of Directors of Nuvo;

“Business Day” means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario;

“Butterfly Proportion” means an amount equal to the fraction (A)/(B) where:

- (A) is the volume weighted average trading price of the Crescita Common Shares on the TSX for the first five trading days commencing on the date upon which the Crescita Common Shares commence trading on the TSX following the completion of the Arrangement; and
- (B) is the sum of the amount determined under (A) above, plus the volume weighted average trading price of the Post-Arrangement Nuvo Common Shares on the TSX for the first five trading days commencing on the date upon which the Post-Arrangement Nuvo Common Shares commence trading on the TSX without any entitlement to the Crescita Common Shares;

“Certificate of Arrangement” means the Certificate of Arrangement to be issued by the OBCA Director under the OBCA giving effect to the Arrangement;

“Court” means the Ontario Superior Court of Justice;

“Crescita” means the corporation under the OBCA formed by the amalgamation of Subco and Holdco pursuant to this Plan of Arrangement;

“Crescita Arrangement Options” means the Crescita Options to be granted pursuant to Section 2.3(h) of this Plan of Arrangement;

“Crescita Arrangement SARs” means the share appreciation rights to be granted under the Crescita SARs Plan pursuant to Section 2.3(k) of this Plan of Arrangement;

“Crescita Common Shares” means the common shares in the capital of Crescita having the terms and conditions set out in Exhibit VII to the Plan of Arrangement and includes, unless the context otherwise requires, any rights issued pursuant to the Crescita Rights Plan and attached to such common shares;

“Crescita Incentive Plan” means the share incentive plan to be established by Holdco pursuant to Section 2.3(g) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to 2.7(b)(vii) of this Plan of Arrangement;

“Crescita Option Holder” means a Person who holds a Crescita Option;

“Crescita Option Plan” means the share option plan to be established by Holdco pursuant to Section 2.3(g) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to Section 2.7(b)(vii) of this Plan of Arrangement, and that will form part of the Crescita Incentive Plan;

“Crescita Options” means, prior to the amalgamation of Subco and Holdco pursuant to the Arrangement, the options to purchase Holdco Common Shares granted under the Crescita Option Plan, including the Crescita Arrangement Options, and following the completion of the amalgamation of Subco and Holdco pursuant to the Arrangement, the options to purchase Crescita Common Shares granted under the Crescita Option Plan, including the Crescita Arrangement Options;

“Crescita SARs Plan” means the share appreciation rights plan to be established by Holdco pursuant to Section 2.3(j) of this Plan of Arrangement that Crescita will assume and become subject to pursuant to Section 2.7(b)(vii) of this Plan of Arrangement;

“Dissent Rights” has the meaning ascribed thereto in Section 3.1 of this Plan of Arrangement;

“Dissenting Shareholder” means a Shareholder who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who has not withdrawn such exercise of Dissent Rights prior to the Arrangement Time;

“Distribution Record Date” means the close of business on the second trading day on the TSX following the Arrangement Date or such other date as the Board and the Board of Directors of Crescita may select;

“Final Order” means the final order of the Court to be made in connection with approval of the Arrangement, as such order may be varied or amended by the Court at any time prior to the Arrangement Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

“Governmental Authority” means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, self-regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange;

“Holdco” means 2487001 Ontario Limited, an OBCA corporation;

“Holdco Common Shares” means the common shares in the capital of Holdco;

“Holdco Preferred Shares” means the first preference shares and second preference shares in the capital of Holdco, which will not include the Holdco Reorganization Shares;

“Holdco Redemption Note” has the meaning ascribed thereto in Section 2.3(m) of this Plan of Arrangement;

“Holdco Reorganization Shares” means the shares designated as the reorganization preferred shares in the capital of Holdco;

“Interim Order” means the interim order of the Court to be issued under section 182 of the OBCA pursuant to the application by Nuvo providing, among other things, for declarations and directions with respect to the Arrangement and the Meeting, as such order may be varied or amended at any time prior to the Meeting;

“Meeting” means the special meeting of Shareholders, including any adjournment(s) or postponement(s) thereof, to be convened as provided in the Interim Order to consider and to vote on, among other things, the Arrangement Resolution and such other matters as may properly come before the meeting;

“Nuvo” means, prior to the completion of the transactions set forth in Section 2.3(r) of this Plan of Arrangement, Nuvo Research Inc., an OBCA corporation, and from and after the completion of the transactions set forth in Section 2.3(r) of this Plan of Arrangement, Nuvo Pharmaceuticals Inc., an OBCA corporation;

“Nuvo Butterfly Shares” means the new class of special shares in the capital of Nuvo having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

“Nuvo Common Shares” means, prior to the Arrangement, the existing common shares in the capital of Nuvo that are to be re-designated as “Class A Common Shares” pursuant to Section 2.3(c) of this Plan of Arrangement, and includes, unless the context otherwise requires, any rights issued pursuant to the Nuvo Rights Plan and attached to such common shares and, after the Arrangement, the Post-Arrangement Nuvo Common Shares;

“Nuvo DSU” means a deferred share unit credited under a Nuvo DSU Plan;

“Nuvo DSU Holder” means a Person who has been credited one or more Nuvo DSUs under a Nuvo DSU Plan;

“Nuvo DSU Plans” means, collectively, Nuvo’s deferred share unit plan for employees and Nuvo’s deferred share unit plan for non-employee directors;

“Nuvo DSU Withholding Amount” means, in respect of a Nuvo DSU Holder, an amount equal to the product obtained by dividing (a) the aggregate amount that Nuvo is required to deduct and withhold under the Tax Act as a result of the exchange of such Nuvo DSU Holder’s Nuvo DSUs for Nuvo Common Shares pursuant to Section 2.3(b) of this Plan of Arrangement, if any, by (b) the number of Nuvo DSUs held by such Nuvo DSU Holder immediately prior to the Arrangement Time;

“Nuvo Incentive Plan” means Nuvo’s share incentive plan in the form approved by Nuvo’s shareholders at Nuvo’s annual and special meeting held on June 11, 2014;

“Nuvo Option Holder” means a Person who holds a Nuvo Option;

“Nuvo Option Plan” means Nuvo’s share option plan forming part of the Nuvo Incentive Plan;

“Nuvo Options” means the options to purchase Nuvo Common Shares granted under the Nuvo Option Plan that are outstanding immediately prior to the Arrangement Time;

“Nuvo Redemption Note” has the meaning ascribed thereto in Section 2.3(n) of this Plan of Arrangement;

“Nuvo Rights Plan” means the rights agreement (amended and restated) of the Corporation dated as of December 16, 1992 between Nuvo and CIBC Mellon Trust Company, as rights agent;

“Nuvo SARs” means the share appreciation rights issued under the Nuvo SARs Plan;

“Nuvo SARs Holder” means a Person who has been granted one or more Nuvo SARs under the Nuvo SARs Plan;

“Nuvo SARs Plan” means Nuvo’s share appreciation rights plan;

“OBCA” means the *Business Corporations Act* (Ontario), as amended;

“OBCA Director” means the Director appointed pursuant to Section 278 of the OBCA;

“Participating Shareholder” means a Shareholder, other than a Dissenting Shareholder;

“Person” means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, Governmental Authority or other entity.;

“Plan of Arrangement” means this plan of arrangement, as amended or supplemented from time to time in accordance with the terms hereof;

“Post-Arrangement Nuvo Common Shares” means the common shares in the capital of Nuvo having the terms and conditions set out in Exhibit I to this Plan of Arrangement, to be issued under the Arrangement to Shareholders (other than Dissenting Shareholders) in exchange, in part, for existing common shares in the capital of Nuvo held by them and includes, unless the context otherwise requires, any rights issued pursuant to the Nuvo Rights Plan and attached to such common shares;

“Post-Arrangement Nuvo Options” means the options to purchase Post-Arrangement Nuvo Common Shares granted under the Nuvo Option Plan pursuant to Section 2.3(h) of this Plan of Arrangement;

“Post-Arrangement Nuvo SARs” means the share appreciation rights granted by Nuvo under the Nuvo SARs Plan pursuant to Section 2.3(k) of this Plan of Arrangement;

“SAR/DSU Resolution” means the ordinary resolution approving (a) the issuance of Nuvo Common Shares pursuant Section 2.3(b) of this Plan of Arrangement in exchange for outstanding Nuvo DSUs, (b) the issuance of Nuvo Common Shares pursuant to the Nuvo SARs Plan, as amended and restated pursuant to Section 2.3(i) of this Plan of Arrangement, and (c) the issuance of Crescita Common Shares pursuant to the Crescita SARs Plan;

“Shareholders” means the registered holders of Nuvo Common Shares at the applicable time;

“Subco” means 2487002 Ontario Limited, an OBCA corporation and, immediately prior to the Arrangement Time, a wholly-owned Subsidiary of Nuvo;

“Subco Shares” means the common shares in the capital of Subco;

“Subsidiary” means, in respect of a specified Person, a second Person that is controlled, directly or indirectly, by the specified Person, and includes a Subsidiary of the second Person; provided that, for greater certainty, for the purposes of this Plan of Agreement, (a) prior to the completion of the events and transactions described in Section 2.3 of this Plan of Arrangement, a “Subsidiary” of Nuvo shall include Holdco and Subco and their respective Subsidiaries, and (b) from and after the completion of the events and transactions described in Section 2.3 of this Plan of Arrangement, a “Subsidiary” of Nuvo shall not include Holdco, Subco or Crescita or any of their respective Subsidiaries;

“Tax Act” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

“Transfer Agent” means the transfer agent for the Nuvo Common Shares or the Crescita Common Shares, as applicable;

“Transferred Property” means all of the Subco Shares held by Nuvo immediately prior to the Arrangement Time; and

“TSX” means the Toronto Stock Exchange.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article” or “Section” followed by a number and/or a letter refer to the specified Article or Section of this Plan of Arrangement. The terms “hereof”, “herein” and “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or other portion hereof.

1.3 Rules of Construction

In this Plan of Arrangement, unless the context otherwise requires, (a) words importing the singular number include the plural and *vice versa*, (b) words importing any gender include all genders, and (c) “include”, “includes” and “including” will be deemed to be followed by the words “without limitation”.

1.4 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

1.5 Date for Any Action

If the date on which any action is required or permitted to be taken hereunder by a Person is not a Business Day, such action will be required or permitted to be taken on the next succeeding day which is a Business Day.

1.6 References to Dates, Statutes, etc.

- (a) In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.
- (b) In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute, regulation, direction or instrument is to that statute, regulation, direction or instrument as now enacted or as the same may from time to time be amended, re-enacted or replaced, and in the case of a reference to a statute, includes any regulations, rules, policies or directions made thereunder. Any reference in this Plan of Arrangement to a Person includes its heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with its terms.

1.7 Time

Time will be of the essence in every matter or action contemplated hereunder. All times expressed herein are Toronto, Ontario time unless otherwise stipulated herein.

1.8 Exhibits

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

- Exhibit I – Initial Amendment to the Articles of Nuvo
- Exhibit II – Amended and Restated Nuvo Incentive Plan
- Exhibit III – Crescita Incentive Plan
- Exhibit IV – Amended and Restated Nuvo SARs Plan
- Exhibit V – Crescita SARs Plan
- Exhibit VI – Subsequent Amendment to the Articles of Nuvo
- Exhibit VII – Terms and Conditions of the Shares of Crescita
- Exhibit VIII – By-Laws of Crescita

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Arrangement Time on: (i) Nuvo and its Subsidiaries, including Subco; (ii) Holdco; (iii) all Shareholders (including those described in Section 3.1) and all beneficial owners of Nuvo Common Shares; (iv) all Nuvo Option Holders; (v) all Nuvo DSU Holders; and (vi) all Nuvo SARs Holders.

2.3 Arrangement Time

Commencing at the Arrangement Time, the following events or transactions will occur and will be deemed to occur in the following sequence without any further act, authorization or formality:

- (a) The Nuvo Common Shares held by Dissenting Shareholders, who duly exercise their Dissent Rights and who are ultimately entitled to be paid fair value for those Nuvo Common Shares, will be deemed to have been transferred to Nuvo and cancelled and will cease to be outstanding at the Arrangement Time, and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Nuvo Common Shares by Nuvo;
- (b) Subject to Section 4.3(b), for each Nuvo DSU outstanding on the Arrangement Date held by a Nuvo DSU Holder, such holder will dispose of such holder's rights in such Nuvo DSU to Nuvo and Nuvo will grant, in consideration therefor, either (x) if the SAR/DSU Resolution is approved, one Nuvo Common Share, or (y) if the SAR/DSU Resolution is not approved, a cash payment equal to the Market Price per Unit (as defined in the applicable Nuvo DSU Plan) on the last trading day prior to the Arrangement Date, and in each case:
 - (i) no other consideration will be received by any Nuvo DSU Holder (in his or her capacity as such);
 - (ii) the Nuvo DSUs so exchanged will be cancelled; and
 - (iii) the Nuvo DSU Plan will be terminated;
- (c) The articles of Nuvo will be amended as set out in Exhibit I to this Plan of Arrangement to:
 - (i) change the designation of the Nuvo Common Shares from "Common Shares" to "Class A Common Shares" and change the voting rights attached to the Nuvo Common Shares, whether issued or unissued, to two votes per share; and
 - (ii) create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment):
 - (A) an unlimited number of Post-Arrangement Nuvo Common Shares; and
 - (B) an unlimited number of Nuvo Butterfly Shares;each new class having the rights, privileges, restrictions and conditions set out in such Exhibit;
- (d) Each Nuvo Common Share outstanding on the Arrangement Date held by a Participating Shareholder (including any Nuvo Common Shares issued to the Nuvo DSU Holders pursuant to Section 2.3(b)) will be changed into (without any action on the part of the holder of the Nuvo Common Shares) one Post-Arrangement Nuvo Common Share and one Nuvo Butterfly Share in accordance with Section 168(1)(h) of the OBCA, such that:
 - (i) the aggregate addition to the stated capital accounts of the Post-Arrangement Nuvo Common Shares and the Nuvo Butterfly Shares issued by Nuvo pursuant to this Section 2.3(d) will equal the stated capital of the Nuvo Common Shares (excluding any Nuvo Common Shares transferred to Nuvo pursuant to Section 2.3(a)) immediately before the event described in this Section 2.3(d). Such stated capital amount will be allocated to the Nuvo Butterfly Shares in an amount equal to the aggregate fair market value of the Nuvo Butterfly Shares, with the remaining amount being allocated to the Post-Arrangement Nuvo Common Shares;
 - (ii) no other consideration will be received by any holder of such Nuvo Common Shares; and

- (iii) the Nuvo Common Shares so exchanged will be cancelled;
- (e) Each Participating Shareholder will transfer to Holdco, with good and marketable title thereto and free and clear of all liens, charges, claims and encumbrances, all such Participating Shareholder's Nuvo Butterfly Shares and, as the sole consideration therefor, Holdco will issue in exchange one Holdco Common Share for each Nuvo Butterfly Share so transferred and at the time of such transfer the stated capital account for the Holdco Common Shares will be increased by an amount equal to the aggregate fair market value of the transferred Nuvo Butterfly Shares;
- (f) The terms and conditions of the Nuvo Incentive Plan will be amended and restated in the form set forth in Exhibit II to this Plan of Arrangement;
- (g) The Crescita Incentive Plan will come into force with the terms and conditions set out in Exhibit III to this Plan of Arrangement;
- (h) For each Nuvo Option outstanding on the Arrangement Date held by a Nuvo Option Holder, such holder will dispose of (i) a portion of such holder's rights in such Nuvo Option to Nuvo and Nuvo will grant, in consideration therefor, one Post-Arrangement Nuvo Option to such holder and (ii) the remaining portion of such holder's rights in such Nuvo Option to Holdco and Holdco will grant, in consideration therefor, one Crescita Arrangement Option to such holder, such that:
 - (i) the only consideration a Nuvo Option Holder will receive for the disposition of his or her Nuvo Options will be Post-Arrangement Nuvo Options and Crescita Arrangement Options, with such exchange being subject to Section 2.4; and
 - (ii) the Nuvo Options so exchanged will be cancelled;
- (i) The terms and conditions of the Nuvo SARs Plan will be amended and restated in the form set forth in Exhibit IV to this Plan of Arrangement;
- (j) The Crescita SARs Plan will come into force with the terms and conditions set out in Exhibit V to this Plan of Arrangement;
- (k) For each Nuvo SAR outstanding on the Arrangement Date held by a Nuvo SARs Holder, such holder will dispose of (i) a portion of such holder's rights in such Nuvo SAR to Nuvo and Nuvo will grant, in consideration therefor, one Post-Arrangement Nuvo SAR to such holder and (ii) the remaining portion of such holder's rights in such Nuvo SAR to Holdco and Holdco will grant, in consideration therefor, one Crescita Arrangement SAR to such holder, such that:
 - (i) the only consideration a Nuvo SARs Holder will receive for the disposition of his or her Nuvo SARs will be Post-Arrangement Nuvo SARs and Crescita Arrangement SARs, with such exchange being subject to Section 2.5; and
 - (ii) the Nuvo SARs so exchanged will be cancelled;
- (l) Nuvo will transfer the Transferred Property to Holdco in consideration for (i) the Crescita Arrangement Options granted by Holdco to Nuvo Option Holders pursuant to Section 2.3(h), (ii) the Crescita Arrangement SARs granted by Holdco to Nuvo SARs Holders pursuant to Section 2.3(k) and (iii) the issuance by Holdco to Nuvo of one Holdco Reorganization Share for each Subco Share transferred to Holdco, and in respect of such transfer:
 - (i) Nuvo will jointly elect with Holdco, in prescribed form and within the time allowed by subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the Transferred Property; and
 - (ii) the amount added to the stated capital in respect of the Holdco Reorganization Shares issued as consideration for the transfer of the Transferred Property will equal the amount Nuvo and Holdco agree to in their election referred to in Section 2.3(l)(i) above less an amount equal to the aggregate fair market value of the aforementioned Crescita Arrangement Options and Crescita Arrangement SARs at the time they are so issued;

- (m) (i) Holdco will redeem all of the Holdco Reorganization Shares held by Nuvo and will issue to Nuvo, in consideration therefor, a non-interest bearing demand promissory note in a principal amount equal to the aggregate redemption amount for the Holdco Reorganization Shares that will mature on the 360th day following its original issue if the principal thereon has not previously been repaid (the "Holdco Redemption Note"), and (ii) Holdco shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to Nuvo upon the redemption of the Holdco Reorganization Shares in this Section 2.3(m) to be an eligible dividend for the purposes of subsection 89(14) of the Tax Act, which designation shall be deemed to have been made at the time of such deemed dividend;
- (n) (i) Nuvo will redeem all of the Nuvo Butterfly Shares held by Holdco and will issue to Holdco, in consideration therefor, a non-interest bearing demand promissory note in a principal amount equal to such aggregate redemption amount for the Nuvo Butterfly Shares that will mature on the 360th day following its original issue if the principal thereon has not previously been repaid (the "Nuvo Redemption Note"), and (ii) Nuvo shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to Holdco upon the redemption of the Nuvo Butterfly Shares in this Section 2.3(n) to be an eligible dividend for purposes of subsection 89(14) of the Tax Act, which designation shall be deemed to have been made at the time of such deemed dividend;
- (o) Nuvo will repay the principal amount of the Nuvo Redemption Note by transferring to Holdco the Holdco Redemption Note which will be accepted by Holdco as full payment, satisfaction and discharge of Nuvo's obligations under the Nuvo Redemption Note and, simultaneously, Holdco will repay the principal amount of the Holdco Redemption Note by transferring to Nuvo the Nuvo Redemption Note which will be accepted by Nuvo as full payment, satisfaction and discharge of Holdco's obligations under the Holdco Redemption Note, and following these transfers the Nuvo Redemption Note and the Holdco Redemption Note will both be cancelled;
- (p) The articles of Holdco will be amended by deleting the Holdco Reorganization Shares from the share capital which Holdco is authorized to issue;
- (q) Holdco and Subco will be amalgamated and continue as one corporation on the terms set out in Section 2.7; and
- (r) The articles of Nuvo will be amended, as set out in Exhibit VI to this Plan of Arrangement, by:
 - (i) deleting the Nuvo Butterfly Shares and the Nuvo Common Shares (other than the Post-Arrangement Nuvo Common Shares) from the share capital which Nuvo is authorized to issue; and
 - (ii) changing the name of Nuvo from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc."

2.4 Effect on Options

For purposes of the exchange of Nuvo Options in Section 2.3(h), for each Nuvo Common Share that a Nuvo Option Holder would have been entitled to acquire under its Nuvo Option, such holder will be entitled to acquire one Post-Arrangement Nuvo Common Share under the Post-Arrangement Nuvo Option received in the exchange and one Crescita Common Share under the Crescita Arrangement Option received in the exchange. The original exercise price of each Nuvo Option Holder's Nuvo Options will be allocated to the Post-Arrangement Nuvo Options and the Crescita Arrangement Options acquired by such holder on the exchange in Section 2.3(h), such that an amount equal to the Butterfly Proportion of such original exercise price (rounded up to the nearest whole cent) will be payable to Crescita for each Crescita Common Share acquired under the Crescita Arrangement Options and an amount equal to the remainder of the original exercise price (rounded up to the nearest whole cent) will be payable to Nuvo for each Post-Arrangement Nuvo Common Share acquired under the Post-Arrangement Nuvo Options.

2.5 Effect on SARs

- (a) The grant price for each Post-Arrangement Nuvo SAR shall be deemed to be an amount equal to the difference between (i) the original grant price of the Nuvo SAR for which such Post-Arrangement Nuvo SAR was exchanged pursuant to Section 2.3(k), and (ii) the product obtained by multiplying (A) the original grant price of the Nuvo SAR for which such Post-Arrangement Nuvo SAR was exchanged as part of this Plan of Arrangement, by (B) the Butterfly Proportion.

- (b) The grant price for each Crescita Arrangement SAR shall be deemed to be an amount equal to the product obtained by multiplying (i) the original grant price of the Nuvo SAR for which such Crescita Arrangement SAR was exchanged pursuant to Section 2.3(k), by (ii) the Butterfly Proportion.
- (c) For purposes of this Section 2.5, references to the “Nuvo SARs Plan” shall be deemed to be references to such plan as amended and restated pursuant to Section 2.3(i) of this Plan of Arrangement.

2.6 Registers of Holders

- (a) Upon the deemed transfer of the Nuvo Common Shares held by Dissenting Shareholders pursuant to Section 2.3(a), the name of each Dissenting Shareholder will be deemed to be removed from the register of holders of Nuvo Common Shares.
- (b) Upon the exchange of the Nuvo Common Shares pursuant to Section 2.3(d), the name of each Participating Shareholder will be deemed to be removed from the register of holders of Nuvo Common Shares and will be deemed to be added to the registers of holders of Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares as the holder of the number of Post-Arrangement Nuvo Common Shares and Nuvo Butterfly Shares respectively issued to such Participating Shareholder.
- (c) Upon the cancellation of Nuvo Common Shares pursuant to Sections 2.3(a) and 2.3(d), appropriate entries will be made in the register of holders of Nuvo Common Shares.
- (d) Upon the transfer of the Nuvo Butterfly Shares pursuant to Section 2.3(e), (i) the name of each Participating Shareholder will be deemed to be removed from the register of holders of Nuvo Butterfly Shares and will be deemed to be added to the register of holders of Holdco Common Shares, and (ii) Holdco will be deemed to be recorded as the registered holder of the Nuvo Butterfly Shares on the register of holders of Nuvo Butterfly Shares and will be deemed to be the legal and beneficial owner thereof.
- (e) Upon the transfer of the Transferred Property pursuant to Section 2.3(l), (i) Nuvo will be deemed to be removed from the register of holders of Subco Shares and will be deemed to be added to the register of holders of Holdco Reorganization Shares, and (ii) Holdco will be deemed to be recorded as the registered holder of the Subco Shares on the register of holders of Subco Shares and will be deemed to be the legal and beneficial owner thereof.
- (f) Upon the redemption of the Holdco Reorganization Shares pursuant to Section 2.3(m), Nuvo will be deemed to be removed from the register of holders of Holdco Reorganization Shares and appropriate entries will be made in the register of holders of Holdco Reorganization Shares.
- (g) Upon the redemption of the Nuvo Butterfly Shares pursuant to Section 2.3(n), Holdco will be deemed to be removed from the register of holders of Nuvo Butterfly Shares and appropriate entries will be made in the register of holders of Nuvo Butterfly Shares.
- (h) Upon the amalgamation of the Amalgamating Corporations pursuant to Section 2.3(q), the register of holders of Holdco Common Shares will be deemed to be the register of holders of Crescita Common Shares.

2.7 Amalgamation Matters

- (a) Upon the amalgamation of the Amalgamating Corporations pursuant to Section 2.3(q), the following provisions will apply to Crescita:
 - (i) the Articles of Arrangement shall be deemed to be the articles of amalgamation of Crescita and the Certificate of Arrangement issued in respect of the Articles of Arrangement by the OBCA Director shall be deemed to be the certificate of amalgamation and certificate of incorporation of Crescita;
 - (ii) the name of Crescita will be “Crescita Therapeutics Inc.” and the registered office of Crescita will be located at 7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4;
 - (iii) the authorized capital of Crescita will be:
 - (A) an unlimited number of common shares with the rights, privileges, restrictions and conditions attached to the Holdco Common Shares; and

(B) an unlimited number of first preference shares and second preference shares, with the rights, privileges, restrictions and conditions attached to the Holdco Preferred Shares;

as such rights, privileges, restrictions and conditions attaching to such common shares and preference shares are set forth in Exhibit VII to this Plan of Arrangement;

- (iv) there will be no restrictions on the business that Crescita is authorized to carry on or the powers that Crescita may exercise;
- (v) the board of directors of Crescita will, until otherwise changed in accordance with the OBCA, consist of a minimum of three and a maximum of twelve directors. The first directors of Crescita will be the individuals listed in the table below. Such directors will hold office until the close of the next annual meeting of shareholders of Crescita or until their successors are elected or appointed;

<u>Name</u>	<u>Canadian Resident</u>	<u>Address for Service</u>
Daniel Chicoine	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
David A. Copeland	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Anthony E. Dobranowski	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Henrich R.K. Guntermann	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Klaus von Lindeiner	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
John C. London	Yes	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4
Dr. Theodore H. Stanley	No	7560 Airport Road, Unit 10, Mississauga, Ontario, L4T 4H4

- (vi) the holders of Crescita Common Shares shall be deemed to have passed a special resolution under Section 125(3) of the OBCA empowering the directors of Crescita to determine the number of directors of Crescita, within the minimum and maximum number of directors provided for in Crescita's articles;
 - (vii) all authorizations previously given by the shareholders and boards of directors of the Amalgamating Corporations and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of Crescita;
 - (viii) the first officers of Crescita will be the officers of Holdco immediately prior to the Arrangement Time;
 - (ix) Ernst & Young LLP will be the auditors of Crescita, to hold office until the close of the next annual meeting of shareholders of Crescita, or until Ernst & Young LLP resigns as contemplated by Section 150 of the OBCA or are removed from office as contemplated by Section 149(4) of the OBCA, and the directors of Crescita will be authorized to fix their remuneration;
 - (x) the by-laws of Crescita, until repealed, amended or altered, will be the by-laws attached as Exhibit VIII hereto; and
 - (xi) the year end of Crescita will be the year end of Holdco.
- (b) The effect of the amalgamation of the Amalgamating Corporations referred to in Section 2.3(q) will be as follows:
- (i) the Amalgamating Corporations will cease to exist as entities separate from Crescita;
 - (ii) all of the property (except any amounts receivable from, or shares of the capital stock of, any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will continue to be the property of Crescita;
 - (iii) all of the liabilities (except any amounts payable to any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will become liabilities of

Crescita and, as a result, Crescita will continue to be liable for the obligations of each Amalgamating Corporation;

- (iv) any existing cause of action, claim or liability to prosecution of an Amalgamating Corporation will be unaffected;
 - (v) any civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against Crescita, and Crescita will be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against Holdco or Subco before the Arrangement Date;
 - (vi) any conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Crescita; and
 - (vii) for greater certainty:
 - (A) each issued and outstanding Holdco Common Share will be deemed a Crescita Common Share;
 - (B) each outstanding option to purchase Holdco Common Shares will be deemed an option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such option, and Crescita will assume and become subject to the Crescita Incentive Plan;
 - (C) each outstanding share appreciation right that entitles the holder thereof to Holdco Common Shares upon the settlement of such share appreciation right will be deemed a share appreciation right that entitles the holder thereof to an equivalent number of Crescita Common Shares on the same terms as are provided for in such share appreciation right, and Crescita will assume and become subject to the Crescita SARs Plan;
 - (D) no securities shall be issued and no assets shall be distributed by the Amalgamating Corporations in connection with the amalgamation; and
 - (E) all issued and outstanding shares of Subco will be deemed cancelled, without any repayment of capital in respect thereof, on a basis that does not entitle the holders thereof to any consideration, and thereafter the holders of such securities will not have any rights, liabilities or other obligations in respect of such securities.
- (c) The stated capital of the Crescita Common Shares will be equal to the aggregate of the paid-up capital (as determined for the purposes of the Tax Act) of the Holdco Common Shares.

2.8 Arrangement Effectiveness

The Arrangement will become finally and conclusively binding and effective as at the Arrangement Time.

2.9 Deemed Fully Paid and Non-Assessable Shares

All Post-Arrangement Nuvo Common Shares, Nuvo Butterfly Shares, Holdco Common Shares, Holdco Reorganization Shares and Crescita Common Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the OBCA.

2.10 Supplementary Actions

Notwithstanding that the transaction and events set out in Section 2.3 hereof will occur, and shall be deemed to occur, in the order therein set out without any other act, authorization or formality, each of Nuvo and Crescita will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to further document or evidence any of the transactions or events set out in Section 2.3 hereof, including without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, any promissory notes and receipts therefore and any necessary additions to, or deletions from, share registers.

**ARTICLE 3
RIGHTS OF DISSENT**

3.1 Rights of Dissent

- (a) Shareholders may exercise rights of dissent with respect to their Nuvo Common Shares pursuant to and in the manner set forth in Section 185 of the OBCA as modified by the Interim Order and this Article 3 (“Dissent Rights”) in connection with the Arrangement provided that, notwithstanding Section 185(6) of the OBCA, the written notice setting forth such a Shareholder’s objection to the Arrangement and exercise of Dissent Rights must be received by Nuvo not later than 5:00 p.m. (Eastern Time) on the last Business Day immediately preceding the date of the Meeting or any adjournment or postponement thereof. Dissenting Shareholders who duly exercise their Dissent Rights and who:
- (i) are ultimately entitled to be paid fair value for their Nuvo Common Shares, will be deemed to have transferred their Nuvo Common Shares to Nuvo as of the Arrangement Time as set out in Section 2.3(a) and will be entitled to be paid the fair value of such Nuvo Common Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights; or
 - (ii) are ultimately not entitled, for any reason, to be paid fair value for such Nuvo Common Shares will be deemed to have participated in the Arrangement as of and from the Arrangement Time on the same basis as a Participating Shareholder.

3.2 Recognition of Dissenting Shareholders

From and after the Arrangement Time, neither Nuvo, Holdco or Crescita, or any other Person, will be required to recognize a Dissenting Shareholder as a holder of Nuvo Common Shares or as a holder of any securities of any of Nuvo, Holdco, Crescita or any of their respective Subsidiaries and, subject to Section 3.1(a)(ii) above, at the Arrangement Time, the names of the Dissenting Shareholders will be deleted from the register of holders of Nuvo Common Shares previously maintained or caused to be maintained by Nuvo in accordance with Section 2.6(a).

3.3 Dissent Right Availability

A Shareholder will not be entitled to exercise Dissent Rights with respect to Nuvo Common Shares if such holder votes (or instructs, or is deemed by submission of any incomplete proxy to have instructed, his, her or its proxyholder to vote) in favour of the Arrangement Resolution.

3.4 Withholding Taxes

All payments made to a Dissenting Shareholder pursuant to this Article 3 will be subject to, and paid net of, all applicable withholding taxes.

**ARTICLE 4
CERTIFICATES AND PAYMENTS**

4.1 Entitlement to Share Certificates

- (a) Upon the Arrangement becoming effective, from and including the Arrangement Date to and including the Distribution Record Date, share certificates representing Nuvo Common Shares will be deemed for all purposes to be certificates representing the Post-Arrangement Nuvo Common Shares and Crescita Common Shares issued to Participating Shareholders under the Arrangement.
- (b) As soon as practicable after the Distribution Record Date, Crescita will issue and deliver, or cause its Transfer Agent to issue and deliver, to each Shareholder of record at the close of business in Toronto on the Distribution Record Date, new certificates representing the Crescita Common Shares to which such holder is entitled pursuant to the Arrangement.
- (c) Following the close of business in Toronto on the Distribution Record Date, the certificates representing Nuvo Common Shares immediately prior to the Arrangement Time will be deemed for all purposes to be certificates representing only the Post-Arrangement Nuvo Common Shares issued to Participating Shareholders under the Arrangement.

- (d) No certificates will be delivered to evidence the Nuvo Butterfly Shares or the Holdco Common Shares issued to Participating Shareholders under Sections 2.3(d) and 2.3(e), respectively.

4.2 Lost Certificates

If any certificate representing, immediately prior to the Arrangement Time, one or more Nuvo Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and the giving by such Person of a bond satisfactory to Nuvo in such sum as Nuvo may determine against any claim that may be made against Nuvo with respect to the certificate alleged to have been lost, stolen or destroyed, Nuvo (or its Transfer Agent) will make such distribution or delivery in respect of the Nuvo Common Shares represented by such lost, stolen or destroyed certificate as determined in accordance with Section 4.1(a).

4.3 Withholding Rights

- (a) Nuvo and Crescita will be entitled to deduct and withhold from amounts payable under this Plan of Arrangement to any Person (including any cash payment to Nuvo DSU Holders pursuant to Section 2.3(b)), such amounts as Nuvo is required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Person, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.
- (b) Without limiting the application of Section 4.3(a), the number of Nuvo Common Shares to be delivered to each Nuvo DSU Holder pursuant to Section 2.3(b), if any, shall be reduced by a number of Nuvo Common Shares with a value (based on the closing price of the Nuvo Common Shares on the TSX on the last trading day prior to the Arrangement Date) equal to the Nuvo DSU Withholding Amount applicable to such Nuvo DSU Holder. If any such reduction would otherwise result in a fraction of a Nuvo Common Share being issued to a Nuvo DSU Holder, the aggregate number of Nuvo Common Shares to be issued to such Nuvo DSU Holder pursuant to Section 2.3(b) shall be rounded down to the nearest whole number and no payment or other adjustment will be made with respect to the fractional Nuvo Common Share disregarded.

4.4 Restatement of Articles

Outside and not as part of this Plan of Arrangement, the articles of Nuvo will be restated to reflect the amendment referred to in Section 2.3(t) of this Plan of Arrangement and such restated articles will be filed by Nuvo with the OBCA Director pursuant to section 171 of the OBCA.

ARTICLE 5 AMENDMENTS

5.1 Amendments to Plan of Arrangement

- (a) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by Nuvo at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.
- (b) This Plan of Arrangement may be amended, modified or supplemented unilaterally by Nuvo, after the Meeting, provided that each such amendment, modification or supplement is approved by the Court and communicated to any Person(s) in the manner required by the Court.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by Nuvo and, if required by the Court, is consented to by or communicated to the Shareholders in the manner directed by the Court.
- (d) Notwithstanding Section 5.1(b), any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Nuvo, provided that it concerns a matter which, in the reasonable opinion of Nuvo, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Post-Arrangement Nuvo Common Shares or Crescita Common Shares.

**ARTICLE 6
FURTHER ASSURANCES**

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and will be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out herein.

**ARTICLE 7
TERMINATION**

7.1 Termination

Notwithstanding any prior approvals by the Court or by Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the issuance of the Certificate of Arrangement, without further approval of the Court or the Shareholders.

EXHIBIT I

Initial Amendment to the Articles of
Nuvo Research Inc.

The Articles of Nuvo Research Inc. (the "Corporation") are amended as follows in accordance with the provisions of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and 2487002 Ontario Limited under section 182 of the *Business Corporations Act* (Ontario) (the "Plan of Arrangement"):

- (i) to redesignate the Common Shares, both issued and unissued, as "Class A Common Shares";
- (ii) to increase the authorized capital of the Corporation by creating an unlimited number of shares to be designated as "Special Shares" (referred to as "Nuvo Butterfly Shares" in the Plan of Arrangement);
- (iii) to increase the authorized capital of the Corporation by creating an unlimited number of shares to be designated as "Common Shares";
- (iv) to delete section 7 of the Articles of the Corporation in its entirety and replace it with the following to give effect to the foregoing: "The Corporation is authorized to issue an unlimited number of shares to be designated as Class A Common Shares, an unlimited number of shares to be designated as Common Shares, an unlimited number of shares to be designated as First Preference Shares, issuable in series, an unlimited number of shares to be designated as Second Preference Shares, issuable in series, and an unlimited number of shares to be designated as Special Shares.";
- (v) to delete section 8 of the Articles of the Corporation in its entirety and replace it with the following: "Please see the attached Schedule 1"; and
- (vi) to delete in their entirety pages 4A-4HH annexed to the Articles of the Corporation and replace them with the following Schedule 1:

"Schedule 1

ARTICLE 1
INTERPRETATION

- 1.01 References to "Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.
- 1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2
CLASS A COMMON SHARES AND COMMON SHARES

The Class A Common Shares and the Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 2.01 Votes:
 - (a) The holders of Class A Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Class A Common Shares are entitled to two votes for each one Class A Common Share held on all polls taken at such meetings.

- (b) The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.
- 2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Class A Common Shares or Common Shares, the holders of Class A Common Shares and Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation on an equal basis per share.
- 2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Class A Common Shares and Common Shares shall, after payment to the holders of First Preference Shares, Second Preference Shares and shares of any other class ranking senior to the Class A Common Shares and Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation on an equal basis per share.
- 2.04 Limitation:
- (a) Subject to the provisions of the Act, the holders of Class A Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (i) increase or decrease any maximum number of authorized Class A Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Class A Common Shares;
 - (ii) effect an exchange, reclassification or cancellation of all or part of the Class A Common Shares; or
 - (iii) create a new class of shares or series equal or superior to the Class A Common Shares.
- (b) Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (i) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;
 - (ii) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or
 - (iii) create a new class of shares or series equal or superior to the Common Shares.
- 2.05 Equality: With the exception of voting privileges, the Class A Common Shares and the Common Shares shall have the same rights and attributes and be the same in all respects.

ARTICLE 3 FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- 3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:

- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
- (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

- 3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) except as otherwise set forth herein, senior to, and shall be entitled to a preference over, the Second Preference Shares, the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.
- 3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.
- 3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.
- 3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:
- (a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting

may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

- (b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

- 3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series,
- 3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;
 - (b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or
 - (c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

ARTICLE 4 SECOND PREFERENCE SHARES

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- 4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:
- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
 - (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
 - (c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;

- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) except as otherwise set forth herein, senior to, and shall be entitled to a preference over, the Class A Common Shares, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Class A Common Shares, the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled

to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

- 4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.
- 4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;
 - (b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or
 - (c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.

ARTICLE 5 SPECIAL SHARES

- 5.01 Dividends: The holders of Special Shares shall be entitled to receive non-cumulative cash dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation lawfully applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Special Shares, the board of directors may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation. No dividends may be paid on any other class of shares of the Corporation if the realizable value of the net assets of the Corporation after the payment of the dividends would be less than the aggregate of the Nuvo Butterfly Share Redemption Amount (as defined below) relating to all the Special Shares then outstanding.
- 5.02 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Special Shares shall be entitled to a payment in priority to all other classes of shares of the Corporation of an amount per Special Share equal to the Nuvo Butterfly Share Redemption Amount to the extent of the amount of value of the property and assets of the Corporation lawfully available for distribution to its shareholders. Except for a distribution in the amount of the Nuvo Butterfly Share Redemption Amount as aforesaid, the holders of Special Shares shall not as such be entitled to receive or participate in any distribution of the property and assets of the Corporation among its shareholders.
- 5.03 Redemption: Subject to the provisions of the Act, the Corporation may at any time and from time to time redeem all or any part of the Special Shares at an amount per share (which shall be paid in money or, at the discretion of the Corporation, by the issuance of one or more promissory notes) equal to the Nuvo Butterfly Share Redemption Amount. The "Nuvo Butterfly Share Redemption Amount" shall be an amount equal to: (a) the volume weighted average trading price of the Class A Common Shares on the Toronto Stock Exchange for the five trading days ending on the last trading day prior to the effective date (the "Effective Date") of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and

2487002 Ontario Limited under section 182 of the Act (the "Plan of Arrangement"); multiplied by (b) the Butterfly Proportion (as defined in the Plan of Arrangement); and plus (c) the amount of any declared but unpaid dividends per issued and outstanding Special Share.

- 5.04 Retraction: Following the Effective Date, subject to the provisions of the Act, every registered holder of Special Shares may at any time, at the option of such holder, require the Corporation to redeem the whole or any part of the Special Shares registered in such holder's name by depositing with the Corporation an irrevocable written request for the same, together with the share certificate or certificates, if any, representing the Special Shares to be redeemed. Upon receipt of such request and certificate or certificates the Corporation shall, subject to the provisions of the Act, redeem such Special Shares and pay such holder the Nuvo Butterfly Share Redemption Amount for each Special Share so redeemed.
- 5.05 Cancellation: Any Special Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall for all purposes be considered to have been redeemed on, and shall be cancelled concurrently with, the payment by the Corporation to or to the benefit of the holder thereof of the Nuvo Butterfly Share Redemption Amount.
- 5.06 Voting: Subject to the provisions of the Act, the holders of Special Shares shall not be entitled to receive notice of or attend or vote at any meetings of the shareholders of the Corporation.
- 5.07 Amount Specified: For purposes of Subsection 191(4) of the *Income Tax Act* (Canada) the amount specified in respect of each Special Share shall be the amount specified by an officer or director of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Special Share and (b) pursuant to a resolution of the board of directors of the Corporation authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not as a formula) that is equal to the fair market value of the consideration for which such Special Share is issued."

EXHIBIT II

Amended and Restated Nuvo Incentive Plan

NUVO PHARMACEUTICALS INC.

THIRD AMENDED AND RESTATED SHARE INCENTIVE PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions:

For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "Act" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;
- (b) "Aggregate Contribution" means the aggregate of a Participant's Contribution and the related Corporation's Contribution;
- (c) "Arrangement Date" has the meaning ascribed thereto in the Plan of Arrangement;
- (d) "Arrangement Options" means Options issued as part of the Plan of Arrangement in partial exchange for Outstanding Options;
- (e) "Arrangement Participant" has the meaning ascribed thereto in Section 4.13(c);
- (f) "Arrangement Time" has the meaning ascribed thereto in the Plan of Arrangement;
- (g) "Basic Annual Salary" means the basic annual remuneration of a Participant from the Corporation and its Designated Affiliates exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;
- (h) "Committee" means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;
- (i) "Common Shares" means the common shares of the Corporation, as adjusted in accordance with the provisions of Article Seven of the Plan;
- (j) "Corporation" means Nuvo Research Inc., a corporation existing under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;
- (k) "Corporation's Contribution" means the amount the Corporation credits a Participant under Section 3.04 or Section 3.11;
- (l) "Crescita" means prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;
- (m) "Crescita Consultant" has the meaning ascribed thereto in Section 4.13(c);
- (n) "Crescita Designated Affiliate" means the affiliates of Crescita designated by the board of directors of Crescita or the committee of the board of directors of Crescita authorized to administer the Crescita Incentive Plan in accordance with its terms;

- (o) “Crescita Employment Contract” means any contract between Crescita or any Crescita Designated Affiliate and any Arrangement Participant relating to, or entered into in connection with, the employment of the Arrangement Participant, the appointment or election of the Arrangement Participant or the engagement of the Arrangement Participant or any other agreement to which Crescita or a Crescita Designated Affiliate is a party with respect to the rights of such Arrangement Participant in respect of the termination of employment, appointment, election or engagement of such Arrangement Participant, provided that such contract or agreement is substantially the same as a contract or agreement between such Arrangement Participant and the Corporation or a Designated Affiliate as it existed immediately prior to the Effective Time;
- (p) “Crescita Incentive Plan” has the meaning ascribed thereto in the Plan of Arrangement;
- (q) “Designated Affiliate” means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;
- (r) “Directors” means the board of directors of the Corporation from time to time;
- (s) “Eligible Directors” means the Directors or the directors of any Designated Affiliate from time to time;
- (t) “Eligible Employees” means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation, and includes a personal registered retirement savings plan of an Eligible Employee and a personal holding company controlled by an Eligible Employee;
- (u) “Employment Contract” means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment of the Eligible Employee, the appointment or election of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;
- (v) “Holding Period” means a period of 12 months or such longer period as may be required by law or the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;
- (w) “Issue Price” means, for the purposes of Section 3.06, the weighted average price of the Common Shares on the Stock Exchange for the calendar quarter in respect of which Common Shares are being issued under the Share Purchase Plan and for the purposes of Section 3.11, the weighted average price of the Common Shares on the Stock Exchange for the three month period ending immediately preceding the month in which Common Shares are being issued under the Share Purchase Plan;
- (x) “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (y) “Optionee” means a Participant to whom an Option has been granted pursuant to the Share Option Plan;
- (z) “Option Period” means the period of time during which the particular Option may be exercised;
- (aa) “Other Participant” means any person or corporation engaged to provide ongoing management or consulting services for the Corporation or a Designated Affiliate, or any employee of such person or corporation, other than an Eligible Director or an Eligible Employee;
- (bb) “Outstanding Options” means Options outstanding immediately prior to the Arrangement Time and which, as part of the Plan of Arrangement, were exchanged for Arrangement Options and cancelled;
- (cc) “Participant” with respect to the Share Purchase Plan means each Eligible Employee and Other Participant and with respect to the Share Option Plan and Share Bonus Plan means each Eligible Director, Eligible Employee and Other Participant;
- (dd) “Participant’s Contribution” means the amount a Participant elects to contribute to the Share Purchase Plan under Section 3.03(a) or Section 3.03(b) of the Plan;

- (ee) "Plan" means this third amended and restated share incentive plan which includes the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan;
- (ff) "Plan of Arrangement" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule A to this Plan;
- (gg) "Share Bonus Plan" means the share bonus plan described in Article Five hereof;
- (hh) "Share Option Plan" means the share option plan described in Article Four hereof;
- (ii) "Share Purchase Plan" means the share purchase plan described in Article Three hereof; and
- (jj) "Stock Exchange" means The Toronto Stock Exchange, or if the Common Shares are not listed on The Toronto Stock Exchange, such other principal market upon which the Common Shares are traded as designated by the Committee from time to time.

Section 1.02 Securities Definitions:

In the Plan, the terms "affiliate", "associate", "insider" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

Section 1.03 Headings:

The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 Context, Construction:

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 References to this Plan:

The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 Canadian Funds:

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

**ARTICLE TWO
PURPOSE AND ADMINISTRATION OF THE PLAN**

Section 2.01 Purpose of the Plan:

The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees and directors of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 Administration of the Plan:

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to

any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 Delegation to Committee:

All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any compensation committee of the Directors.

Section 2.04 Record Keeping:

The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee;
- (c) the aggregate number of Common Shares subject to Options;
- (d) the name and address of each Participant in the Share Purchase Plan;
- (e) the Participants' Contributions and the Corporation's Contributions in respect of each Participant; and
- (f) the number of Common Shares held in safekeeping for the account of a Participant.

Section 2.05 Determination of Participants:

The Committee shall from time to time determine the Participants who may participate in the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan. The Committee shall from time to time determine the number of Common Shares to be issued to any Participant under the Share Bonus Plan, the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Maximum Number of Shares:

- (a) Share Purchase Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Purchase Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 3% of the total number of Common Shares then outstanding.
- (b) Share Option Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Option Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance to any one person upon the exercise of Options (including Common Shares under option pursuant to predecessor share incentive plans of the Corporation) shall not exceed 5% of the total number of Common Shares then outstanding. For certainty, to the extent Options have been exercised, new Options may be granted in respect thereof.
- (c) Share Bonus Plan: The maximum number of Common Shares made available for, and reserved for issuance under, the Share Bonus Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 2% of the total number of Common Shares then outstanding.

In the event that the Corporation purchases Common Shares for cancellation or any conversion, exchange or purchase rights for Common Shares attached to any securities of the Corporation expire or otherwise are extinguished, the Corporation shall be deemed to be in compliance with the foregoing maximum limits, if immediately prior to such purchase, expiration or other extinguishment, the Corporation was in compliance with such limit.

**ARTICLE THREE
SHARE PURCHASE PLAN**

Section 3.01 The Share Purchase Plan:

A Share Purchase Plan is hereby established for Eligible Employees and Other Participants.

Section 3.02 Participants:

Participants entitled to participate in the Share Purchase Plan shall be Eligible Employees or Other Participants who have been providing services to the Corporation or any Designated Affiliates for at least 12 consecutive months. The Committee, shall have the right, in its absolute discretion, to waive such 12 month period or to determine that the Share Purchase Plan does not apply to any Eligible Employee or Other Participant.

Section 3.03 Election to Participate in Share Purchase Plan and Participant's Contribution:

- (a) Any Participant may elect to contribute money to the Share Purchase Plan in any calendar year if the Participant, prior to the end of the immediately preceding calendar year, delivers to the Corporation a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Participant the Participant's Contribution in equal instalments.
- (b) If, on December 31 of any year, a Participant has not been continuously providing service to the Corporation or any of its Designated Affiliates for at least 12 consecutive months (unless such 12-month requirement is waived by the Committee), then, in the calendar quarter during which such Participant reaches six consecutive months of service, such Participant may elect to make a Participant's Contribution with respect to the balance of that calendar year, commencing at the beginning of the next calendar quarter, by delivering to the Corporation the written direction referred to above.
- (c) The Participant's Contribution shall not exceed 10% (unless changed by the Committee), before deductions, of the Participant's Basic Annual Salary; provided that, in the event of any employee electing to make a Participant's Contribution for less than a full year in accordance with paragraph (b) above, his or her Basic Annual Salary shall be pro-rated for the balance of that calendar year.
- (d) No adjustment shall be made to the Participant's Contribution until the next succeeding calendar year, and then only if a new written direction shall have been delivered to the Corporation for such calendar year. The Participant's Contribution shall be held by the Corporation in trust for the purposes of the Share Purchase Plan.

Section 3.04 Corporation's Contribution:

Immediately prior to the date any Common Shares are issued to a Participant in accordance with Section 3.06, the Corporation will credit the Participant with and thereafter hold in trust for the Participant an amount equal to the Participant's Contribution then held in trust by the Corporation.

Section 3.05 Aggregate Contribution:

The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

Section 3.06 Issue of Shares:

- (a) As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year the Corporation shall issue for the account of each Participant fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.
- (b) The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan.

Section 3.07 Safekeeping and Delivery of Shares:

(a) All Common Shares issued for the account of a Participant in accordance with Section 3.06 will be held in safekeeping by the Corporation and will be delivered, subject as provided in the Share Purchase Plan, to such Participant upon the expiry of the Holding Period from the date of issue of such Common Shares. If the Corporation receives, on behalf of a Participant in respect of any Common Shares so held:

- (i) cash dividends;
- (ii) options or rights to purchase additional securities of the Corporation or any other corporation;
- (iii) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or
- (iv) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such Participant, at his or her last address according to the register maintained under Section 2.04, any of the items listed in Section 3.07(a)(i), (ii) and (iii); and shall hold in safekeeping any additional securities referred to in Section 3.07(a)(iv) and shall deliver such securities to the Participant with delivery of the Common Shares in respect of which such additional securities were issued.

(b) Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:

- (i) the date of the commencement of the Eligible Employee's retirement in accordance with the Corporation's normal retirement policy;
- (ii) the date of the commencement of the total disability of the Eligible Employee determined in accordance with the Corporation's normal disability policy; or
- (iii) the date of death of the Eligible Employee.

(c) Any Common Shares held for the account of an Other Participant in safekeeping by the Corporation will be distributed to the Other Participant or the estate of the Other Participant, prior to the expiry of the applicable Holding Period only upon:

- (i) the date of the commencement of the Other Participant's retirement in accordance with the Corporation's normal retirement policy, or in the case of an Other Participant that is not an individual, the date of the commencement of the retirement of the primary individual providing services to the Corporation on behalf of the Other Participant;
- (ii) the date of the commencement of the total disability of the Other Participant, or in the case of an Other Participant that is not an individual, the date of the commencement of the total disability of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant, determined in accordance with the Corporation's normal disability policy; or
- (iii) the date of death of the Other Participant or, in the case of an Other Participant that is not an individual, the date of death of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant.

(d) If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or a portion of the issued and outstanding Common Shares, then the Committee may, by resolution, make any Common Shares held in trust for a Participant immediately deliverable in order to permit such shares to be tendered to such bid. In addition the Committee may, by resolution, permit the Corporation's Contribution to be made and Common Shares issued for the then Aggregate Contribution prior to expiry of any such take-over bid in order to permit such shares to be tendered to such bid.

Section 3.08 Termination of Employment:

If a Participant shall cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates for any reason or shall receive notice from the Corporation of the termination of his or her contract of service or employment:

- (a) the Participant shall automatically cease to be entitled to participate in the Share Purchase Plan;
- (b) any portion of the Participant's Contribution then held in trust for the Participant shall be paid to the Participant or the estate of the Participant;
- (c) any portion of the Corporation's Contribution then held in trust for the Participant shall be paid to the Corporation; and
- (d) any Common Shares then held in safekeeping for a Participant shall, subject to Section 3.07 in the case of retirement, disability or death, and subject to the provisions of the Act, remain in safekeeping until the expiry of the Hold Period.

Section 3.09 Election to Withdraw from Share Purchase Plan:

Any Participant may at any time elect to withdraw from the Share Purchase Plan. In order to withdraw the Participant must give at least two weeks' notice to the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Participant's remuneration the Participant's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two week notice. The Participant's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Participant with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.04. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.06 and delivered to the Participant in accordance with Section 3.07 had the Participant not elected to withdraw from the Share Purchase Plan.

Section 3.10 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Purchase Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Participant's Contribution held in trust for a Participant shall be returned to the Participant without interest.

Section 3.11 Alternative Purchase:

In lieu of making Participants' Contributions pursuant to Section 3.03(a) and Section 3.03(b), the Directors may authorize an alternative form of Participant's Contribution each year, and upon such authorization, all Participants may make a Participant's Contribution on or before December 31 of such year, based on the Participant's Basic Annual Salary for the preceding calendar year and in accordance with Section 3.03(c), and the Corporation shall contribute and credit the Participant with an amount equal to the Participant's Contribution. As soon as practicable following December 31 in each calendar year, and upon receipt of a written undertaking from the Participant to hold such Common Shares until the expiry of the Holding Period the Corporation shall issue and immediately deliver to each Participant or the trustee of the Participant's self directed registered retirement savings plan fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable. The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan. The Directors may in their sole discretion amend the Plan to delete this Section 3.11 and make amendments to the corresponding provisions of the Plan at any time without the approval of the shareholders of the Corporation.

**ARTICLE FOUR
SHARE OPTION PLAN**

Section 4.01 The Share Option Plan and Participants:

A Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 4.02 Option Agreement:

Each Option granted to a Participant shall be evidenced by a stock option agreement setting out the terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 4.03 Exercise Price:

Subject to Section 4.13(b), the price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of grant of such Option.

Section 4.04 Term of Option:

The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years.

Section 4.05 Lapsed Options:

If Options granted under the Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

Section 4.06 Limit on Options to be Exercised:

Except as otherwise specifically provided in any Employment Contract, in Section 4.10 of the Plan, or by resolution of the Directors or the Committee, Options may be exercised (in each case to the nearest full share) during the Option Period as follows:

- (a) At any time during the Option Period after the end of the first year thereof, the Participant may purchase up to one third of the aggregate number of Common Shares subject to such Option;
- (b) At any time during the Option Period after the end of the second year thereof, the Participant may purchase an additional one third of the aggregate number of Common Shares subject to such Option plus any Common Shares not purchased in accordance with paragraph (a) above; and
- (c) At any time during the Option Period after the expiration of the third year thereof, the Participant may purchase any Common Shares subject to such Option not purchased in accordance with paragraphs (a) and (b) above.

The Directors or the Committee may, at any time, waive the foregoing vesting requirements.

Section 4.07 Eligible Participants on Exercise:

Subject to Section 4.06, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 4.10 or Section 4.11 hereof or in any Employment Contract or any resolution of the Directors or the Committee, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management or consulting services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

Section 4.08 Payment of Exercise Price:

The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 4.09 Acceleration on Take-over Bid:

If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable, notwithstanding Section 4.06 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

Section 4.10 Effect of Death:

If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 4.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of nine months (or such other period of time as is otherwise provided in an Employment Contract) after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

Section 4.11 Effect of Termination of Employment:

If a Participant shall:

- (a) cease to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of their Employment Contract;

(collectively a "Termination"), except as otherwise provided in any Employment Contract or any resolution of the Directors or the Committee, such Participant may, but only within 60 days next succeeding such Termination, exercise their Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period. This Section 4.11 is subject to any Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

Section 4.12 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

Section 4.13 Plan of Arrangement:

- (a) For all purposes under the Share Option Plan, Arrangement Options shall be deemed to be a continuation of the Outstanding Options for which they are exchanged as part of the Plan of Arrangement, and the grant of Arrangement Options shall not be treated as a new grant of Options. Accordingly, the date on which an Arrangement Option is granted for purposes of the Share Option Plan shall be deemed to be the date of the

grant of the Outstanding Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement.

- (b) The price per share at which any Common Share which is the subject of an Arrangement Option may be purchased shall be an amount equal to the original exercise price of the Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement less the Butterfly Proportion (as such term is defined in the Plan of Arrangement) of such original exercise price.
- (c) Notwithstanding anything contained herein to the contrary, each person that holds an Outstanding Option immediately prior to the Arrangement Time and that, due to or in connection with the Arrangement, becomes a director, officer or employee of Crescita or any Crescita Designated Affiliate, or provides ongoing management or consulting services for Crescita or any Crescita Designated Affiliate (a "Crescita Consultant") or becomes an employee of a Crescita Consultant (each such director, officer, employee, Crescita Consultant or employee of a Crescita Consultant, an "Arrangement Participant"), shall be permitted, for so long as such Arrangement Participant remains a director, officer or employee of Crescita or any Crescita Designated Affiliate, or a Crescita Consultant or employee of a Crescita Consultant, as applicable, to hold and exercise his or her Arrangement Options in accordance with their terms and the terms of this Plan as though such Arrangement Participant is an Eligible Director, Eligible Employee or Other Participant, as applicable, and, for greater certainty, any reference to an "Employment Contract" in this Plan shall be deemed to include any Crescita Employment Contract applicable to such Arrangement Participant. Upon any Arrangement Participant ceasing to be a director, officer or employee of Crescita or its Crescita Designated Affiliates, or a Crescita Consultant or employee of a Crescita Consultant, as applicable, provided that at such time such Arrangement Participant is not, or does not concurrently become, an Eligible Director, Eligible Officer or Other Participant, such Arrangement Participant shall be treated for the purposes of the Share Option Plan as having ceased to be so employed with or engaged by the Corporation and its Designated Affiliates and such Arrangement Participant's Arrangement Options shall be dealt with in accordance with Section 4.11 of the Plan.

ARTICLE FIVE SHARE BONUS PLAN

Section 5.01 The Share Bonus Plan:

A Share Bonus Plan is hereby established for Eligible Directors and Eligible Employees and Other Participants.

Section 5.02 Participants:

The Committee shall have the right to determine, in its sole and absolute discretion, to issue for no cash consideration to any Participant any number of Common Shares as a discretionary bonus subject to such provisions and restrictions (including such vesting provisions) as the Committee may determine.

Section 5.03 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Bonus Plan shall be subject to any necessary approvals of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant under the Share Bonus Plan for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate.

ARTICLE SIX WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 6.01 Withholding Taxes:

The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold with respect to such taxes.

Section 6.02 Securities Laws of the United States of America:

Neither the Options which may be granted pursuant to the provisions of the Share Option Plan nor the Common Shares which may be acquired pursuant to the exercise of Options or participation in the Share Purchase Plan or Share Bonus Plan have been registered under the United States Securities Act of 1933, as amended (the "U.S. Act"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or have to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares issued may be required to have the following legends:

"THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

"THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE CORPORATION IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (a) represents and warrants that the sale of the securities of Nuvo Pharmaceuticals Inc. (the "Corporation") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of The Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, and (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by paragraph (c) above, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by paragraph (c) above, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by paragraph (c) above.

**ARTICLE SEVEN
GENERAL**

Section 7.01 Effective Time of Plan:

This Plan shall become effective on the Arrangement Date at the time specified in the Plan of Arrangement. Upon the effective time of the Plan, all predecessor share incentive plans of the Corporation shall terminate and become inoperative.

Section 7.02 Amendment of Plan:

The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan which would:

- (a) materially increase the benefits under the Plan or any Options granted pursuant to the Plan;
- (b) increase the number of Common Shares, other than by virtue of Section 7.06 and Section 7.07 of the Plan, which may be issued pursuant to the Plan; or
- (c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation if required by the Stock Exchange and any other regulatory authority having jurisdiction over the securities of the Corporation. Any amendment, modification or change of any provision of the Plan or any Options granted pursuant to the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

Section 7.03 Non-Assignable:

No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 7.04 Rights as a Shareholder:

No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date issue of certificates representing Common Shares.

Section 7.05 No Contract of Employment:

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of the Plans by a Participant shall be voluntary.

Section 7.06 Consolidation, Merger, etc.:

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity:

- (a) each Participant for whom Common Shares are held in safekeeping under the Share Purchase Plan shall receive on the date that Common Shares would otherwise be delivered to the Participant the securities, property or cash to which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the Participant had held the Common Shares immediately prior to such event; and
- (b) upon the exercise of an Option under the Share Option Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable.

Section 7.07 Adjustment in Number of Shares Subject to the Plan:

In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 7.08 Securities Exchange Take-over Bid:

In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to the Optionees on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
- (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 7.09 No Representation or Warranty:

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

Section 7.10 Participation through RRSP's and Holding Companies:

Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under the Plan, to participate in the Plan by holding any rights or Options granted under the Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 7.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the voting and equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and/or his or her spouse, children or grandchildren. In the event that an Eligible Employee or Eligible Director elects to hold the rights or Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Eligible Employee or Eligible Director held such rights or Options directly.

Section 7.11 Compliance with Applicable Law:

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 7.12 Interpretation:

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE A
PLAN OF ARRANGEMENT

[See above.]

EXHIBIT III

Crescita Incentive Plan

CRESCITA THERAPEUTICS INC.

SHARE INCENTIVE PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

1.01 Definitions:

For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "Act" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;
- (b) "Aggregate Contribution" means the aggregate of a Participant's Contribution and the related Corporation's Contribution;
- (c) "Arrangement Date" has the meaning given to it in the Plan of Arrangement;
- (d) "Arrangement Options" means Options issued as part of the Plan of Arrangement in partial exchange for Outstanding Nuvo Options;
- (e) "Arrangement Participant" has the meaning given to it in Section 4.13(c);
- (f) "Arrangement Time" has the meaning given to it in the Plan of Arrangement;
- (g) "Basic Annual Salary" means the basic annual remuneration of a Participant from the Corporation and its Designated Affiliates exclusive of any overtime pay, bonuses or allowances of any kind whatsoever;
- (h) "Committee" means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;
- (i) "Common Shares" means the common shares of the Corporation, as adjusted in accordance with the provisions of Article Seven of the Plan;
- (j) "Corporation" means 2487001 Ontario Limited, a corporation incorporated under the Act, and its successors;
- (k) "Corporation's Contribution" means the amount the Corporation credits a Participant under Section 3.04 or Section 3.11;
- (l) "Crescita" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;
- (m) "Crescita Common Shares" means the common shares of Crescita, as adjusted in accordance with the provisions of Article Seven of the Plan;
- (n) "Designated Affiliate" means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;

- (o) “Directors” means the board of directors of the Corporation from time to time;
- (p) “Eligible Directors” means the Directors or the directors of any Designated Affiliate from time to time;
- (q) “Eligible Employees” means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation, and includes a personal registered retirement savings plan of an Eligible Employee and a personal holding company controlled by an Eligible Employee;
- (r) “Employment Contract” means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment of the Eligible Employee, the appointment or election of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;
- (s) “Holding Period” means a period of 12 months or such longer period as may be required by law or the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;
- (t) “Issue Price” means, for the purposes of Section 3.06, the weighted average price of the Common Shares on the Stock Exchange for the calendar quarter in respect of which Common Shares are being issued under the Share Purchase Plan and for the purposes of Section 3.11, the weighted average price of the Common Shares on the Stock Exchange for the three month period ending immediately preceding the month in which Common Shares are being issued under the Share Purchase Plan;
- (u) “Nuvo” means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from “Nuvo Research Inc.” to “Nuvo Pharmaceuticals Inc.”, and its successors;
- (v) “Nuvo Consultant” has the meaning given to it in Section 4.13(c);
- (w) “Nuvo Designated Affiliate” means the affiliates of Nuvo designated by the board of directors of Nuvo or the committee of the board of directors of Nuvo authorized to administer the Nuvo Incentive Plan in accordance with its terms;
- (x) “Nuvo Employment Contract” means any contract between Nuvo or any Nuvo Designated Affiliate and any Arrangement Participant relating to, or entered into in connection with, the employment of the Arrangement Participant, the appointment or election of the Arrangement Participant or the engagement of the Arrangement Participant or any other agreement to which Nuvo or a Nuvo Designated Affiliate is a party with respect to the rights of such Arrangement Participant in respect of the termination of employment, appointment, election or engagement of such Arrangement Participant, as such contract or agreement exists immediately prior to the Arrangement Time;
- (y) “Nuvo Incentive Plan” means Nuvo’s share incentive plan, as amended and restated from time to time;
- (z) “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (aa) “Optionee” means a Participant to whom an Option has been granted pursuant to the Share Option Plan;
- (bb) “Option Period” means the period of time during which the particular Option may be exercised;
- (cc) “Other Participant” means any person or corporation engaged to provide ongoing management or consulting services for the Corporation or a Designated Affiliate, or any employee of such person or corporation, other than an Eligible Director or an Eligible Employee;
- (dd) “Outstanding Nuvo Options” means options to acquire common shares of Nuvo outstanding immediately prior to the Arrangement Time and which, as part of the Plan of Arrangement, were exchanged for Arrangement Options and cancelled;

- (ee) "Participant" with respect to the Share Purchase Plan means each Eligible Employee and Other Participant and with respect to the Share Option Plan and Share Bonus Plan means each Eligible Director, Eligible Employee and Other Participant;
- (ff) "Participant's Contribution" means the amount a Participant elects to contribute to the Share Purchase Plan under Section 3.03(a) or Section 3.03(b) of the Plan;
- (gg) "Plan" means this share incentive plan which includes the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan;
- (hh) "Plan of Arrangement" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule A to this Plan;
- (ii) "Share Bonus Plan" means the share bonus plan described in Article Five hereof;
- (jj) "Share Option Plan" means the share option plan described in Article Four hereof;
- (kk) "Share Purchase Plan" means the share purchase plan described in Article Three hereof; and
- (ll) "Stock Exchange" means The Toronto Stock Exchange, or if the Common Shares are not listed on The Toronto Stock Exchange, such other principal market upon which the Common Shares are traded as designated by the Committee from time to time.

1.02 Securities Definitions:

In the Plan, the terms "affiliate", "associate", "insider" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

1.03 Headings:

The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

1.04 Context, Construction:

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.05 References to this Plan:

The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

1.06 Canadian Funds:

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

**ARTICLE TWO
PURPOSE AND ADMINISTRATION OF THE PLAN**

2.01 Purpose of the Plan:

The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees and directors of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

2.02 Administration of the Plan:

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

2.03 Delegation to Committee:

All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors, including any compensation committee of the Directors.

2.04 Record Keeping:

The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee;
- (c) the aggregate number of Common Shares subject to Options;
- (d) the name and address of each Participant in the Share Purchase Plan;
- (e) the Participants' Contributions and the Corporation's Contributions in respect of each Participant; and
- (f) the number of Common Shares held in safekeeping for the account of a Participant.

2.05 Determination of Participants:

The Committee shall from time to time determine the Participants who may participate in the Share Purchase Plan, the Share Option Plan and the Share Bonus Plan. The Committee shall from time to time determine the number of Common Shares to be issued to any Participant under the Share Bonus Plan, the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

2.06 Maximum Number of Shares:

- (a) The maximum number of Common Shares made available for, and reserved for issuance under, the Plan shall be determined from time to time by the Committee but, in any case, shall not exceed 15% of the total number of Common Shares then outstanding; provided that the maximum number of Common Shares that may be issued under the Share Bonus Plan shall not exceed 3% of the number of Common Shares outstanding immediately following the Arrangement Time. The aggregate number of Common Shares reserved for issuance to any one person upon the exercise of Options shall not exceed 5% of the total number of Common Shares then outstanding. For certainty, to the extent (i) Options granted under the Share Option Plan have been exercised, expire or are otherwise terminated, new Options may be granted in respect thereof, and (ii) Common Shares have been issued pursuant to the Share Purchase Plan, new Common Shares may be issued in respect thereof.
- (b) In the event that the Corporation purchases Common Shares for cancellation or any conversion, exchange or purchase rights for Common Shares attached to any securities of the Corporation expire or otherwise are

extinguished, the Corporation shall be deemed to be in compliance with the foregoing maximum limits, if immediately prior to such purchase, expiration or other extinguishment, the Corporation was in compliance with such limit.

2.07 Plan of Arrangement:

Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita on the Arrangement Date at the time provided for in the Plan of Arrangement and, at such time, each outstanding Option will be deemed an Option to acquire an equivalent number of Crescita Common Shares at the same exercise price and on the same terms as are provided for in such outstanding Option. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

**ARTICLE THREE
SHARE PURCHASE PLAN**

3.01 The Share Purchase Plan:

A Share Purchase Plan is hereby established for Eligible Employees and Other Participants.

3.02 Participants:

Participants entitled to participate in the Share Purchase Plan shall be Eligible Employees or Other Participants who have been providing services to the Corporation or any Designated Affiliates for at least 12 consecutive months. The Committee, shall have the right, in its absolute discretion, to waive such 12 month period or to determine that the Share Purchase Plan does not apply to any Eligible Employee or Other Participant.

3.03 Election to Participate in Share Purchase Plan and Participant's Contribution:

- (a) Any Participant may elect to contribute money to the Share Purchase Plan in any calendar year if the Participant, prior to the end of the immediately preceding calendar year, delivers to the Corporation a written direction in form and substance satisfactory to the Corporation authorizing the Corporation to deduct from the remuneration of the Participant the Participant's Contribution in equal instalments.
- (b) If, on December 31 of any year, a Participant has not been continuously providing service to the Corporation or any of its Designated Affiliates for at least 12 consecutive months (unless such 12-month requirement is waived by the Committee), then, in the calendar quarter during which such Participant reaches six consecutive months of service, such Participant may elect to make a Participant's Contribution with respect to the balance of that calendar year, commencing at the beginning of the next calendar quarter, by delivering to the Corporation the written direction referred to above.
- (c) The Participant's Contribution shall not exceed 10% (unless changed by the Committee), before deductions, of the Participant's Basic Annual Salary; provided that, in the event of any employee electing to make a Participant's Contribution for less than a full year in accordance with paragraph (b) above, his or her Basic Annual Salary shall be pro-rated for the balance of that calendar year.
- (d) No adjustment shall be made to the Participant's Contribution until the next succeeding calendar year, and then only if a new written direction shall have been delivered to the Corporation for such calendar year. The Participant's Contribution shall be held by the Corporation in trust for the purposes of the Share Purchase Plan.

3.04 Corporation's Contribution:

Immediately prior to the date any Common Shares are issued to a Participant in accordance with Section 3.06, the Corporation will credit the Participant with and thereafter hold in trust for the Participant an amount equal to the Participant's Contribution then held in trust by the Corporation.

3.05 Aggregate Contribution:

The Corporation shall not be required to segregate the Aggregate Contribution from its own corporate funds or to pay interest thereon.

3.06 Issue of Shares:

- (a) As soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year the Corporation shall issue for the account of each Participant fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution held in trust as of such date by the Corporation converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable.
- (b) The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase Plan.

3.07 Safekeeping and Delivery of Shares:

- (a) All Common Shares issued for the account of a Participant in accordance with Section 3.06 will be held in safekeeping by the Corporation and will be delivered, subject as provided in the Share Purchase Plan, to such Participant upon the expiry of the Holding Period from the date of issue of such Common Shares. If the Corporation receives, on behalf of a Participant in respect of any Common Shares so held:

- (i) cash dividends;
- (ii) options or rights to purchase additional securities of the Corporation or any other corporation;
- (iii) any notice of meeting, proxy statement and proxy for any meeting of holders of Common Shares of the Corporation; or
- (iv) other or additional Common Shares or other securities (by way of dividend or otherwise);

then the Corporation shall forward to such Participant, at his or her last address according to the register maintained under Section 2.04, any of the items listed in Section 3.07(a)(i), (ii) and (iii); and shall hold in safekeeping any additional securities referred to in Section 3.07(a)(iv) and shall deliver such securities to the Participant with delivery of the Common Shares in respect of which such additional securities were issued.

- (b) Any Common Shares held for the account of an Eligible Employee in safekeeping by the Corporation will be distributed to an Eligible Employee or the estate of the Eligible Employee, prior to the expiry of the applicable Holding Period only upon:
 - (i) the date of the commencement of the Eligible Employee's retirement in accordance with the Corporation's normal retirement policy;
 - (ii) the date of the commencement of the total disability of the Eligible Employee determined in accordance with the Corporation's normal disability policy; or
 - (iii) the date of death of the Eligible Employee.
- (c) Any Common Shares held for the account of an Other Participant in safekeeping by the Corporation will be distributed to the Other Participant or the estate of the Other Participant, prior to the expiry of the applicable Holding Period only upon:
 - (i) the date of the commencement of the Other Participant's retirement in accordance with the Corporation's normal retirement policy, or in the case of an Other Participant that is not an individual, the date of the commencement of the retirement of the primary individual providing services to the Corporation on behalf of the Other Participant;
 - (ii) the date of the commencement of the total disability of the Other Participant, or in the case of an Other Participant that is not an individual, the date of the commencement of the total disability of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant, determined in accordance with the Corporation's normal disability policy; or

- (iii) the date of death of the Other Participant or, in the case of an Other Participant that is not an individual, the date of death of the primary individual providing the services to the Corporation or Designated Affiliate on behalf of the Other Participant.
- (d) If there is a take-over bid (within the meaning of the Securities Act (Ontario)) made for all or a portion of the issued and outstanding Common Shares, then the Committee may, by resolution, make any Common Shares held in trust for a Participant immediately deliverable in order to permit such shares to be tendered to such bid. In addition the Committee may, by resolution, permit the Corporation's Contribution to be made and Common Shares issued for the then Aggregate Contribution prior to expiry of any such take-over bid in order to permit such shares to be tendered to such bid.

3.08 Termination of Employment:

If a Participant shall cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates for any reason or shall receive notice from the Corporation of the termination of his or her contract of service or employment:

- (a) the Participant shall automatically cease to be entitled to participate in the Share Purchase Plan;
- (b) any portion of the Participant's Contribution then held in trust for the Participant shall be paid to the Participant or the estate of the Participant;
- (c) any portion of the Corporation's Contribution then held in trust for the Participant shall be paid to the Corporation; and
- (d) any Common Shares then held in safekeeping for a Participant shall, subject to Section 3.07 in the case of retirement, disability or death, and subject to the provisions of the Act, remain in safekeeping until the expiry of the Hold Period.

3.09 Election to Withdraw from Share Purchase Plan:

Any Participant may at any time elect to withdraw from the Share Purchase Plan. In order to withdraw the Participant must give at least two weeks' notice to the Corporation in writing in form and substance satisfactory to the Corporation directing the Corporation to cease deducting from the Participant's remuneration the Participant's Contribution. Deductions will cease to be made commencing with the first pay date following expiry of the two week notice. The Participant's Contribution will continue to be held in trust. On the next following date for making the Corporation's Contribution the Corporation will credit the Participant with the pro rata amount of the Corporation's Contribution, calculated in accordance with Section 3.04. The issuance and delivery of Common Shares will not be accelerated by such withdrawal but will occur on the date on which such Common Shares would otherwise have been issued in accordance with Section 3.06 and delivered to the Participant in accordance with Section 3.07 had the Participant not elected to withdraw from the Share Purchase Plan.

3.10 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Purchase Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Participant's Contribution held in trust for a Participant shall be returned to the Participant without interest.

3.11 Alternative Purchase:

In lieu of making Participants' Contributions pursuant to Section 3.03(a) and Section 3.03(b), the Directors may authorize an alternative form of Participant's Contribution each year, and upon such authorization, all Participants may make a Participant's Contribution on or before December 31 of such year, based on the Participant's Basic Annual Salary for the preceding calendar year and in accordance with Section 3.03(c), and the Corporation shall contribute and credit the Participant with an amount equal to the Participant's Contribution. As soon as practicable following December 31 in each calendar year, and upon receipt of a written undertaking from the Participant to hold such Common Shares until the expiry of the Holding Period the Corporation shall issue and immediately deliver to each Participant or the trustee of the Participant's self directed registered retirement savings plan fully paid and non-assessable Common Shares equal in value to the Aggregate Contribution converted into Common Shares at the applicable Issue Price. If such conversion would otherwise result in the issue for the account of a Participant of a fraction of a Common Share, the Corporation will issue only such whole Common Shares as are issuable. The Corporation shall hold any unused balance of the Aggregate Contribution in trust for a Participant until used in accordance with the Share Purchase

Plan. The Directors may in their sole discretion amend the Plan to delete this Section 3.11 and make amendments to the corresponding provisions of the Plan at any time without the approval of the shareholders of the Corporation.

ARTICLE FOUR SHARE OPTION PLAN

4.01 The Share Option Plan and Participants:

A Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

4.02 Option Agreement:

Each Option granted to a Participant shall be evidenced by a stock option agreement setting out the terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

4.03 Exercise Price:

Subject to Section 4.13(b), the price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall not be less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of grant of such Option.

4.04 Term of Option:

The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years.

4.05 Lapsed Options:

If Options granted under the Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options.

4.06 Limit on Options to be Exercised:

Except as otherwise specifically provided in any Employment Contract, in Section 4.10 of the Plan, or by resolution of the Directors or the Committee, Options may be exercised (in each case to the nearest full share) during the Option Period as follows:

- (a) At any time during the Option Period after the end of the first year thereof, the Participant may purchase up to one third of the aggregate number of Common Shares subject to such Option;
- (b) At any time during the Option Period after the end of the second year thereof, the Participant may purchase an additional one third of the aggregate number of Common Shares subject to such Option plus any Common Shares not purchased in accordance with paragraph (a) above; and
- (c) At any time during the Option Period after the expiration of the third year thereof, the Participant may purchase any Common Shares subject to such Option not purchased in accordance with paragraphs (a) and (b) above.

The Directors or the Committee may, at any time, waive the foregoing vesting requirements.

4.07 Eligible Participants on Exercise:

Subject to Section 4.06, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 4.10 or Section 4.11 hereof or in any Employment Contract or any resolution of the Directors or the Committee, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval

of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management or consulting services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

4.08 Payment of Exercise Price:

The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

4.09 Acceleration on Take-over Bid:

If there is a take-over bid (within the meaning of the *Securities Act* (Ontario)) made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable, notwithstanding Section 4.06 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

4.10 Effect of Death:

If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 4.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of nine months (or such other period of time as is otherwise provided in an Employment Contract) after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee,

4.11 Effect of Termination of Employment:

If a Participant shall:

- (a) cease to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of their Employment Contract;

(collectively a "Termination"), except as otherwise provided in any Employment Contract or any resolution of the Directors or the Committee, such Participant may, but only within 60 days next succeeding such Termination, exercise their Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period. This Section 4.11 is subject to any Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

4.12 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the

Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

4.13 Plan of Arrangement.

- (a) For all purposes under the Share Option Plan, Arrangement Options granted in exchange for Outstanding Nuvo Options pursuant to the Plan of Arrangement shall be deemed to have been originally granted under this Share Option Plan but shall also be deemed a continuation of the Outstanding Nuvo Options for which they are exchanged as part of the Plan of Arrangement. Accordingly, the date on which an Arrangement Option is granted for purposes of the Share Option Plan shall be deemed to be the date of the grant of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement notwithstanding that this Plan was not effective at such time.
- (b) The price per share at which any Common Share which is the subject of an Arrangement Option may be purchased shall be an amount equal to the Butterfly Proportion (as such term is defined in the Plan of Arrangement) of the original exercise price of the Outstanding Nuvo Option for which such Arrangement Option was exchanged as part of the Plan of Arrangement.
- (c) Notwithstanding anything contained herein to the contrary, each person that holds an Outstanding Nuvo Option immediately prior to the Arrangement Time (each such person, an "Arrangement Participant") shall, for so long as such Arrangement Participant remains a director, officer or employee of Nuvo or any Nuvo Designated Affiliate, or provides ongoing management or consulting services for Nuvo or any Nuvo Designated Affiliate (each such person, a "Nuvo Consultant") or is an employee of a Nuvo Consultant, as applicable, be permitted to hold and exercise his or her Arrangement Options in accordance with their terms and the terms of this Plan as though such Arrangement Participant is an Eligible Director, Eligible Employee or Other Participant, as applicable, and be deemed, as applicable, to be a "Participant" for such purposes, and, for greater certainty, any reference to an "Employment Contract" in this Plan shall be deemed to include any Nuvo Employment Contract applicable to such Arrangement Participant. Upon any Arrangement Participant ceasing to be a director, officer or employee of Nuvo or its Nuvo Designated Affiliates, or a Nuvo Consultant or employee of a Nuvo Consultant, as applicable, provided that at such time such Arrangement Participant is not, or does not concurrently become, an Eligible Director, Eligible Officer or Other Participant, such Arrangement Participant shall be treated for the purposes of the Share Option Plan as having ceased to be so employed with or engaged by the Corporation and its Designated Affiliates and such Arrangement Participant's Arrangement Options shall be dealt with in accordance with Section 4.11 of the Plan.

ARTICLE FIVE SHARE BONUS PLAN

5.01 The Share Bonus Plan:

A Share Bonus Plan is hereby established for Eligible Directors and Eligible Employees and Other Participants.

5.02 Participants:

The Committee shall have the right to determine, in its sole and absolute discretion, to issue for no cash consideration to any Participant any number of Common Shares as a discretionary bonus subject to such provisions and restrictions (including such vesting provisions) as the Committee may determine.

5.03 Necessary Approvals:

The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Share Bonus Plan shall be subject to any necessary approvals of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant under the Share Bonus Plan for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate.

ARTICLE SIX
WITHHOLDING TAXES AND SECURITIES LAWS
OF THE UNITED STATES OF AMERICA

6.01 Withholding Taxes:

The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold with respect to such taxes.

6.02 Securities Laws of the United States of America:

Neither the Options which may be granted pursuant to the provisions of the Share Option Plan nor the Common Shares which may be acquired pursuant to the exercise of Options or participation in the Share Purchase Plan or Share Bonus Plan have been registered under the United States Securities Act of 1933, as amended (the "U.S. Act"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or have to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares issued may be required to have the following legends:

"THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (C) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

"THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE CORPORATION IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (a) represents and warrants that the sale of the securities of Crescita Therapeutics Inc. (the "Corporation") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of The Toronto Stock Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the transaction has been prearranged with a buyer in the United States, and (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by paragraph (c) above, prior to making any disposition of any Common Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by paragraph (c) above, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to the Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Act other than as contemplated by paragraph (c) above.

ARTICLE SEVEN GENERAL

7.01 Effective Time of Plan:

This Plan shall become effective on the Arrangement Date at the time specified in the Plan of Arrangement.

7.02 Amendment of Plan:

The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan which would:

- (a) materially increase the benefits under the Plan or any Options granted pursuant to the Plan;
- (b) increase the number of Common Shares, other than by virtue of Section 7.06 and Section 7.07 of the Plan, which may be issued pursuant to the Plan; or

- (c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation if required by the Stock Exchange and any other regulatory authority having jurisdiction over the securities of the Corporation. Any amendment, modification or change of any provision of the Plan or any Options granted pursuant to the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

7.03 Non-Assignable:

No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

7.04 Rights as a Shareholder:

No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date issue of certificates representing Common Shares.

7.05 No Contract of Employment:

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of the Plans by a Participant shall be voluntary.

7.06 Consolidation, Merger, etc.:

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity:

- (a) each Participant for whom Common Shares are held in safekeeping under the Share Purchase Plan shall receive on the date that Common Shares would otherwise be delivered to the Participant the securities, property or cash to which the Participant would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the Participant had held the Common Shares immediately prior to such event; and
- (b) upon the exercise of an Option under the Share Option Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such Option shall be exercisable.

7.07 Adjustment in Number of Shares Subject to the Plan:

In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

7.08 Securities Exchange Take-over Bid:

In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to the Optionees on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
- (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

7.09 No Representation or Warranty:

The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

7.10 Participation through RRSP's and Holding Companies:

Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under the Plan, to participate in the Plan by holding any rights or Options granted under the Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 7.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the voting and equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and/or his or her spouse, children or grandchildren. In the event that an Eligible Employee or Eligible Director elects to hold the rights or Options granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Eligible Employee or Eligible Director held such rights or Options directly.

7.11 Compliance with Applicable Law:

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

7.12 Interpretation:

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE A
PLAN OF ARRANGEMENT

[See above.]

EXHIBIT IV

Amended and Restated Nuvo SARs Plan

NUVO RESEARCH INC.

AMENDED AND RESTATED SHARE APPRECIATION RIGHTS PLAN

1. DEFINITIONS

As used herein:

- (a) "Act" means the Business Corporations Act (Ontario) or its successor, as amended from time to time;
- (b) "Arrangement Date" has the meaning given to it in the Plan of Arrangement;
- (c) "Arrangement Time" has the meaning given to it in the Plan of Arrangement;
- (d) "Blackout Period" means the period during which designated directors, officers and employees of the Corporation are required to not trade Shares pursuant to the Corporation's policies respecting restrictions on directors', officers' and employee trading in effect from time to time;
- (e) "Cause" means cause, as such term is interpreted from time to time by the courts of the applicable jurisdiction of employment of the applicable Participant, or, where cause (or a synonymous concept) is defined in the Employment Contract of such Participant, as so defined;
- (f) "Committee" means the Directors or, if so designated by the Directors to administer the Plan, the committee of the Directors authorized to administer the Plan (provided that such committee of the Board shall be comprised of no less than three Directors);
- (g) "Corporation" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;
- (h) "Crescita" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;
- (i) "Crescita Participant" means a person who receives Post-Arrangement Nuvo SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Crescita or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Crescita or a Designated Affiliate, or any employee of such person or corporation;
- (j) "Crescita SARs Plan" means Crescita's share appreciation rights plan, as amended and restated from time to time;
- (k) "Designated Affiliate" means (a) in respect of the Corporation, the affiliates of the Corporation designated by the Committee for purposes of this Plan from time to time, and (b) in respect of Crescita, the affiliates of Crescita designated by the board of directors of Crescita (or a duly authorized committee thereof) for the purposes of the Crescita SARs Plan;
- (l) "Directors" means the board of directors of the Corporation from time to time;
- (m) "Employment Contract" means any contract between the Corporation, Crescita or any of their respective Designated Affiliates and any Participant relating to, or entered into in connection with, the employment of an employee, the appointment or election of a director or the engagement of a consultant or any other agreement to which the Corporation, Crescita or any of their respective Designated Affiliates is a party with

respect to the rights of such Participant in respect of a change in control of the Corporation or Crescita or the termination of employment, appointment, election or engagement of such Participant with the Corporation, Crescita or any of their respective Designated Affiliates;

- (n) "Fair Market Value" with respect to the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the last trading day on which the Shares traded prior to the applicable date; provided that if such date falls within a Blackout Period, the Fair Market Value of the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the fifth trading day following the expiration of such Blackout Period or subject to the approval of the Toronto Stock Exchange, such other later date as the Committee shall determine;
- (o) "Grant" means a grant of Post-Arrangement Nuvo SARs to a Participant pursuant to the terms of the Plan of Arrangement;
- (p) "Grant Confirmation" means, with respect to a Post-Arrangement Nuvo SAR, the written confirmation provided to the Participant for the Outstanding Nuvo SAR that was exchanged, in part, for such Post-Arrangement Nuvo SAR pursuant to the Plan of Arrangement;
- (q) "Grant Date" means, with respect to a particular Grant, the date of the applicable Grant Confirmation;
- (r) "Grant Price" means the grant price attributable to each Crescita Arrangement SAR of a particular tranche, determined in accordance with the Plan of Arrangement and described in Section 2(b);
- (s) "Nuvo Participant" means a person who receives Post-Arrangement Nuvo SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Nuvo or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Nuvo or a Designated Affiliate, or any employee of such person or corporation;
- (t) "Outstanding Nuvo SARs" means the share appreciation rights issued under the predecessor to this Plan that were outstanding immediately prior to the Arrangement Time;
- (u) "Participants" means the Nuvo Participants and the Crescita Participants;
- (v) "Plan" means this Amended and Restated Share Appreciation Rights Plan, as amended and restated from time to time;
- (w) "Plan of Arrangement" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule I;
- (x) "Post-Arrangement Nuvo SARs" means the share appreciation rights granted to Participants under this Plan pursuant to the Plan of Arrangement in partial exchange for Outstanding Nuvo SARs, and "Post-Arrangement Nuvo SAR" means any one of them;
- (y) "Shares" means the common shares in the capital of the Corporation;
- (z) "Shareholder Approval" means approval of this Plan by the shareholders of Nuvo prior to the Arrangement Date or approval by shareholders of the Corporation following the Arrangement Date, in either case in accordance with the policies of the Toronto Stock Exchange; and
- (aa) "Vesting Date" means, with respect to a Post-Arrangement Nuvo SAR, the date or dates on which such Post-Arrangement Nuvo SAR vests, as set out in the applicable Grant Confirmation.

2. PLAN OF ARRANGEMENT

- (a) For all purposes under this Plan, Post-Arrangement Nuvo SARs granted in exchange for Outstanding Nuvo SARs pursuant to the Plan of Arrangement shall be deemed to have been granted under and shall be subject to, this Plan, and shall be deemed to be a continuation of the Outstanding Nuvo SARs for which they were exchanged pursuant to the Plan of Arrangement. Accordingly, the date on which a Post-Arrangement Nuvo SAR is Granted for purposes of this Plan shall be deemed to be the date of the grant of the Outstanding Nuvo

SAR for which such Post-Arrangement Nuvo SAR was exchanged pursuant to the Plan of Arrangement, notwithstanding that this Plan was not effective at such time.

- (b) The Grant Price for each Post-Arrangement Nuvo SAR shall be deemed for all purposes of this Plan to be an amount equal to the difference between (i) the original grant price of the Outstanding Nuvo Option for which such Post-Arrangement Nuvo SAR was exchanged as part of the Plan of Arrangement, and (ii) the product obtained by multiplying (A) the original grant price of the Outstanding Nuvo Option for which such Post-Arrangement Nuvo SAR was exchanged as part of the Plan of Arrangement, by (B) the Butterfly Proportion (as such term is defined in the Plan of Arrangement).

3. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the administration of the Plan shall be for the account of the Corporation.

4. GRANT OF SHARE APPRECIATION RIGHTS

- (a) All Post-Arrangement Nuvo SARs shall be subject to the terms and conditions of this Plan.
- (b) No rights other than the Post-Arrangement Nuvo SARs granted pursuant to the Plan of Arrangement shall be granted pursuant to this Plan.
- (c) Post-Arrangement Nuvo SARs shall vest at such times and to the extent set forth in the Grant Confirmation to which they relate.

5. SHARES RESERVED FOR ISSUANCE

Subject to receipt of Shareholder Approval, the maximum number of Shares reserved for issuance under this this Plan shall be fixed at 495,093.

6. VESTING OF SHARE APPRECIATION RIGHTS AND PAYMENT

- (a) Subject to Sections 8 and 10, each tranche of Post-Arrangement Nuvo SARs Granted to a Participant shall vest on the applicable Vesting Date specified in the applicable Grant Confirmation and shall be payable (if applicable) in accordance with Section 6(b).
- (b) Upon the vesting of a tranche of Post-Arrangement Nuvo SARs, as set out in the applicable Grant Confirmation, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following the applicable Vesting Date (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant cash or Shares (or a combination thereof), as determined in accordance with Section 6(c), with an aggregate value equal to the amount, if any, determined, in respect of such tranche of Post-Arrangement Nuvo SARs, by multiplying:
 - (i) the positive amount (if any) by which the Fair Market Value of one Share on the applicable Vesting Date exceeds the applicable Grant Price; by
 - (ii) the number of such vested Post-Arrangement Nuvo SARs (the "Payment Amount").

For certainty, if the amount calculated in Section 6(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Payment Amount (either in cash or Shares) in respect of such Post-Arrangement

Nuvo SARs and the applicable Post-Arrangement Nuvo SARs shall automatically terminate and all rights in respect thereof shall expire.

- (e) The Participant shall have the option to elect whether to receive the Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date) or a combination thereof, provided that:
- (i) if the Participant elects to receive any portion of the Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date); and
 - (ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Payment Amount is required to be paid, then the Payment Amount shall be paid solely in cash.

7. TRANSFERABILITY

The right to receive the Payment Amount (either in cash or Shares, as determined by the Corporation) pursuant to vested Post-Arrangement Nuvo SARs granted to a Participant may only be conferred to a Participant personally or, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Post-Arrangement Nuvo SAR by bequest or inheritance. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Post-Arrangement Nuvo SAR, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Post-Arrangement Nuvo SAR whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Crescita Arrangement SAR shall terminate and be of no further force or effect.

8. TERMINATION

- (a) If a Participant at any time:
- (i) is no longer a director of any of the Corporation, Crescita or any of their respective Designated Affiliates (and is not or does not continue to be an employee or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability);
 - (ii) is no longer employed by any of the Corporation, Crescita or any of their respective Designated Affiliates (and is not or does not continue to be a director or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability); or
 - (iii) is no longer engaged by any of the Corporation, Crescita or any of their respective Designated Affiliates as a consultant (and is not or does not continue to be a director or employee thereof) for any reason (other than for Cause but, for certainty, including death or disability),

(collectively, a "Termination"), then there shall be an automatic acceleration of vesting of such number of the Participant's outstanding Post-Arrangement Nuvo SARs (the "Termination SARs") as determined in accordance with the following formula (calculated separately for each outstanding tranche of Post-Arrangement Nuvo SARs):

$$(A / B) \times C$$

where,

- "A" means the number of days comprising the period from the Grant Date up to, and including, the date of Termination (which, in the case of the death of a Participant, shall be the date of death);
- "B" means the number of days comprising the period from the Grant Date up to, and including, the Vesting Date in respect of such tranche of Post-Arrangement Nuvo SARs; and
- "C" means the number of Post-Arrangement Nuvo SARs that comprise such tranche.

Any of the Participant's Post-Arrangement Nuvo SARs that do not vest pursuant to this Section 8(a) shall automatically terminate and all rights in respect thereof shall expire.

- (b) Upon Termination, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following such Termination (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant (or, in the case of a Termination resulting from the death of a Participant, the estate of the Participant (or such person or persons to whom the rights of the Participant under the Post-Arrangement Nuvo SARs shall pass by the will of the Participant or the laws of descent and distribution)), cash or Shares (or a combination thereof), as determined in accordance with Section 8(c), with an aggregate value equal to the amount, if any, determined, in respect of each outstanding tranche of Post-Arrangement Nuvo SARs, by multiplying:
- (i) the positive amount (if any) by which the Fair Market Value of one Share on the date of Termination exceeds the applicable Grant Price; by
 - (ii) the number of such Termination SARs (the "Termination Payment Amount").

For illustration purposes, an example of how to calculate the Termination Payment Amount is provided in Schedule 2. For certainty, if the amount calculated in Section 8(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Termination Payment Amount and all of the Participant's outstanding Post-Arrangement Nuvo SARs shall automatically expire.

- (c) The Participant shall have the option to elect whether to receive the Termination Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the date of the Termination) or a combination thereof, provided that:
- (i) if the Participant elects to receive any portion of the Termination Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the date of the Termination); and
 - (ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Termination Payment Amount is required to be paid, then the Termination Payment Amount shall be paid solely in cash.
- (d) Where the terms of an Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party relating to a Termination are preferential (from the Participant's perspective) to this Section 8, this Section 8 shall be subject to the provisions of such Employment Contract or other agreement.
- (e) If a Participant shall:
- (i) cease to be a director of the Corporation, Crescita or any of their respective Designated Affiliates for Cause;
 - (ii) cease to be employed by the Corporation, Nuvo or any of their respective Designated Affiliates for Cause; or
 - (iii) cease to be engaged by the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant for Cause,

then any Post-Arrangement Nuvo SARs held by such Participant at such time shall be deemed to have expired as of the effective date of such termination for Cause and the Participant shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Committee (provided, for certainty, that the Committee's discretion in this regard is absolute).

9. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the capital stock of the Corporation, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made by the Corporation with respect to the aggregate number of Shares in respect of which Post-Arrangement Nuvo SARs were granted and the Grant Price of each such Post-Arrangement Nuvo SAR.

10. CHANGE OF CONTROL

- (a) Upon a change of control, any Post-Arrangement Nuvo SARs held by such Participant shall automatically and immediately vest.
- (b) Upon a change of control, the Corporation or the relevant Designated Affiliate, as the case may be, shall pay, and the Participant shall be entitled to receive, in cash, within 30 days following the change of control the amount, if any, determined, in respect of each tranche of Post-Arrangement Nuvo SARs, by multiplying:
 - (i) the positive amount (if any) by which the Fair Market Value of one Share on the change of control exceeds the applicable Grant Price; by
 - (ii) the number of such outstanding Post-Arrangement Nuvo SARs immediately prior to the change of control (the "Change of Control Payment Amount").
- (c) For certainty, if the amount calculated in Section 10(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Change of Control Payment Amount and all of the Participant's outstanding Post-Arrangement Nuvo SARs shall automatically expire.

For the purposes of this paragraph, "change of control" shall include and shall be deemed to occur when any one or more of the following occurs after the Arrangement Date: (i) the acquisition of more than thirty percent (30%) of the common shares of the Corporation by any person or a group of persons acting jointly or in concert together with a change of thirty percent (30%) or more of the members of the Board of Directors of the Corporation within 12 months thereafter; (ii) a change of control as defined in a Participant's Employment Contract with the Corporation or any of its Designated Affiliates (if applicable); or (iii) a *de facto* change of control, including a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation or any other event which, in the reasonable opinion of the Committee constitutes a change of control;

11. AMENDMENT AND TERMINATION OF PLAN

The terms and conditions of the Plan as herein set forth may be amended, modified or otherwise changed, in whole or in part, in any manner, by the Directors at any time and from time to time, without shareholder approval, provided that:

- (a) the Participants shall be advised by the Corporation of any such amendments, modifications or changes, unless they are immaterial or non-substantive;
- (b) any such amendments, modifications or changes shall not affect any Post-Arrangement Nuvo SARs then outstanding, unless consented to in writing by the Participant by whom such Post-Arrangement Nuvo SARs are held; and
- (c) any such amendments, modifications or changes shall be subject to the approval of the Shareholders of the Corporation if required by applicable laws or the policies of any stock exchange on which the Shares are listed.

The Plan may be terminated or discontinued in whole or in part by the Directors at any time, without prior notice to, or the consent of, the Participants, provided that such termination shall not affect any Post-Arrangement Nuvo SARs then outstanding, unless consented to in writing by the Participant by whom such Post-Arrangement Nuvo SARs are held.

12. PAYMENTS UNDER THE PLAN AND FRACTIONAL SHARES

- (a) All payments made under the Plan by the Corporation or any Designated Affiliate (whether satisfied in cash or Shares) shall be made, net of any taxes required to be withheld under applicable legislation and shall, in the case of any cash payment, be made in Canadian dollars, or, if the Participant is normally resident in the United States, in United States dollars at a rate of exchange to be determined by the Corporation or the Designated Affiliate, as the case may be, at the time of payment.
- (b) No fractional Shares shall be issued in connection with the vesting of any Post-Arrangement Nuvo SARs. If the Corporation is required or elects to deliver Shares to satisfy a Payment Amount or Termination Payment Amount for any tranche of Post-Arrangement Nuvo SARs held by a Participant and the aggregate Payment

Amount or Termination Payment Amount (net of any required withholdings pursuant to Section 12(a)) cannot be satisfied through the issuance of a whole number of Shares, the Corporation shall pay the portion of the applicable aggregate amount in respect of such tranche that cannot be satisfied through the issuance of whole Shares in cash, subject to the other terms of this Plan.

13. COMPLIANCE WITH STATUTES AND REGULATIONS

The treatment of Post-Arrangement Nuvo SARs under this Plan and the issuance of any Shares shall be carried out in compliance with all applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with this Plan, no payment shall be made or Shares shall be issued in connection with any Post-Arrangement Nuvo SARs until such time as that action has been completed in a manner satisfactory to the Committee. Without limiting the foregoing, the deadline by which any Payment Amount or Termination Payment Amount is required to be satisfied shall be extended to the date that is ten business days following the date upon which the Fair Market Value of the Shares in respect of the Vesting Date, Termination or change of control, as applicable, can be determined.

14. TAXES

A Participant shall be solely responsible for all taxes resulting from his or her receipt of a Crescita Arrangement SAR or cash or Shares pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether satisfied in cash or Shares) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. For greater certainty, with respect to any payment to be satisfied in Shares hereunder, the Corporation shall have no obligation to deliver such Shares until the Participant makes arrangements, reasonably satisfactory to the Corporation, for the payment and remittance of any taxes required to be withheld and remitted in respect of such payment. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Designated Affiliate if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

15. RIGHTS AS A SHAREHOLDER

No Participant shall have any rights as a shareholder of the Corporation with respect to any Shares which underlie the Post-Arrangement Nuvo SARs unless and until Shares are delivered to the Participant in accordance with this Plan. No Participant shall be entitled to receive, and no adjustment shall be made for, any regular dividends, distribution or other rights declared for shareholders of the Corporation.

16. GOVERNING LAW

The Plan, the determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED the ____ day of _____, 2016.

NUVO RESEARCH INC.

Per: _____

Per: _____

SCHEDULE 1
PLAN OF ARRANGEMENT

[See above.]

SCHEDULE 2

TERMINATION PAYMENT EXAMPLE

- On January 1, 2014, an employee is granted:
 - 10,000 Post-Arrangement Nuvo SARs with a Grant Price of \$1.00 and a Vesting Date of January 1, 2016 (the “2016 Tranche”); and
 - 10,000 Post-Arrangement Nuvo SARs with a Grant Price of \$1.50 and a Vesting Date of January 1, 2018 (the “2018 Tranche”).
- On January 1, 2015 the employee is terminated without Cause. The Share price on January 1, 2015 is \$2.00.
- The employee’s Termination SARs would be calculated as follows:

- 2016 Tranche:

- $A = 365$
- $B = 730$
- $C = 10,000$

Number of vested Post-Arrangement Nuvo SARs per Section 8(a) (i.e. Termination SARs): $(365 / 730) \times 10,000 = 5,000$ Nuvo Arrangements SARs

- 2018 Tranche:

- $A = 365$
- $B = 1,460$
- $C = 10,000$

Number of vested Post-Arrangement Nuvo SARs per Section 8(a) (i.e. Termination SARs): $(365 / 1460) \times 10,000 = 2,500$ Post-Arrangement Nuvo SARs

- The employee’s Termination Payment Amount would be calculated as follows:

- 2016 Tranche:

- Appreciation of Post-Arrangement Nuvo SARs = $\$2.00 - \$1.00 = \$1.00$
- Number of Termination SARs = 5,000

Termination Payment Amount per Section 8(a): $\$1.00 \times 5,000 = \$5,000$

- 2018 Tranche:

- Appreciation of Post-Arrangement Nuvo SARs = $\$2.00 - \$1.50 = \$0.50$
- Number of Termination SARs = 2,500

Termination Payment Amount per Section 8(a): $\$0.50 \times 2,500 = \$1,250$

EXHIBIT V

Crescita SARs Plan

CRESCITA THERAPEUTICS INC.

SHARE APPRECIATION RIGHTS PLAN

1. DEFINITIONS

As used herein:

- (a) "Act" means the Business Corporations Act (Ontario) or its successor, as amended from time to time;
- (b) "Arrangement Date" has the meaning given to it in the Plan of Arrangement;
- (c) "Arrangement Time" has the meaning given to it in the Plan of Arrangement;
- (d) "Blackout Period" means the period during which designated directors, officers and employees of the Corporation are required to not trade Shares pursuant to the Corporation's policies respecting restrictions on directors', officers' and employee trading in effect from time to time;
- (e) "Cause" means cause, as such term is interpreted from time to time by the courts of the applicable jurisdiction of employment of the applicable Participant, or, where cause (or a synonymous concept) is defined in the Employment Contract of such Participant, as so defined;
- (f) "Committee" means the Directors or, if so designated by the Directors to administer the Plan, the committee of the Directors authorized to administer the Plan (provided that such committee of the Board shall be comprised of no less than three Directors);
- (g) "Corporation" means, prior to the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, 2487001 Ontario Limited, a corporation incorporated under the Act, and from and after the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Arrangement, Crescita Therapeutics Inc., the corporation under the Act formed by the amalgamation of 2487001 Ontario Limited and 2487002 Ontario Limited pursuant to the Plan of Arrangement, and its successors;
- (h) "Crescita" means Crescita Therapeutics Inc., a corporation formed under the Act;
- (i) "Crescita Arrangement SARs" means the share appreciation rights granted to Participants under this Plan pursuant to the Plan of Arrangement in partial exchange for Outstanding Nuvo SARs, and "Crescita Arrangement SAR" means any one of them;
- (j) "Crescita Participant" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Crescita or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Crescita or a Designated Affiliate, or any employee of such person or corporation;
- (k) "Designated Affiliate" means (a) in respect of the Corporation, the affiliates of the Corporation designated by the Committee for purposes of this Plan from time to time, and (b) in respect of Nuvo, the affiliates of Nuvo designated by the board of directors of Nuvo (or a duly authorized committee thereof) for the purposes of the Nuvo SARs Plan;
- (l) "Directors" means the board of directors of the Corporation from time to time;
- (m) "Employment Contract" means any contract between the Corporation, Nuvo or any of their respective Designated Affiliates and any Participant relating to, or entered into in connection with, the employment of an employee, the appointment or election of a director or the engagement of a consultant or any other agreement to which the Corporation, Nuvo or any of their respective Designated Affiliates is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or Nuvo or the

termination of employment, appointment, election or engagement of such Participant with the Corporation, Nuvo or any of their respective Designated Affiliates;

- (n) "Fair Market Value" with respect to the Shares as of a specified date, means the closing price of the Shares on the Toronto Stock Exchange on the last trading day on which the Shares traded prior to such date; provided that if such date falls within a Blackout Period, the Fair Market Value of the Shares shall be the closing price of the Shares on the Toronto Stock Exchange on the fifth trading day following the expiration of such Blackout Period or subject to the approval of the Toronto Stock Exchange, such other later date as the Committee shall determine;
- (o) "Grant" means a grant of Crescita Arrangement SARs to a Participant pursuant to the terms of the Plan of Arrangement;
- (p) "Grant Confirmation" means, with respect to a Crescita Arrangement SAR, the written confirmation provided to the Participant for the Outstanding Nuvo SAR that was exchanged, in part, for such Crescita Arrangement SAR pursuant to the Plan of Arrangement;
- (q) "Grant Date" means, with respect to a particular Grant, the date of the applicable Grant Confirmation;
- (r) "Grant Price" means the grant price attributable to each Crescita Arrangement SAR of a particular tranche, determined in accordance with the Plan of Arrangement and described in Section 2(c);
- (s) "Nuvo" means Nuvo Research Inc., a corporation formed under the Act, which, pursuant to the Plan of Arrangement, will change its name from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc.", and its successors;
- (t) "Nuvo Participant" means a person who receives Crescita Arrangement SARs pursuant to the Plan of Arrangement and who, immediately following the Arrangement Time, is a director, employee or officer (including both full-time and part-time employees) of Nuvo or one of its Designated Affiliates, any person or corporation engaged to provide ongoing management or consulting services for Nuvo or a Designated Affiliate, or any employee of such person or corporation;
- (u) "Nuvo SARs Plan" means Nuvo's share appreciation rights plan, as amended and restated from time to time (including pursuant to the Plan of Arrangement);
- (v) "Outstanding Nuvo SARs" means the share appreciation rights issued under the predecessor to the Nuvo SARs Plan that were outstanding immediately prior to the Arrangement Time;
- (w) "Participants" means the Crescita Participants and the Nuvo Participants;
- (x) "Plan" means this Share Appreciation Rights Plan, as amended and restated from time to time;
- (y) "Plan of Arrangement" means the plan of arrangement proposed under Section 182 of the Act, a copy of which is attached as Schedule 1;
- (z) "Shares" means the common shares in the capital of the Corporation;
- (aa) "Shareholder Approval" means approval of this Plan by the shareholders of Nuvo prior to the Arrangement Date or approval by shareholders of the Corporation following the Arrangement Date, in either case in accordance with the policies of the Toronto Stock Exchange; and
- (bb) "Vesting Date" means, with respect to a Crescita Arrangement SAR, the date or dates on which such Crescita Arrangement SAR vests, as set out in the applicable Grant Confirmation.

2. PLAN OF ARRANGEMENT

- (a) Pursuant to the terms of the Plan of Arrangement, this Plan shall be assumed by Crescita Therapeutics Inc. on the Arrangement Date at the time provided for in the Plan of Arrangement. Accordingly, at and after such time, references to the "Corporation" in this Plan shall be deemed to be references to Crescita Therapeutics Inc.

- (b) For all purposes under this Plan, Crescita Arrangement SARs granted in exchange for Outstanding Nuvo SARs pursuant to the Plan of Arrangement shall be deemed to have been granted under and shall be subject to, this Plan, and shall also be deemed to be a continuation of the Outstanding Nuvo SARs for which they were exchanged pursuant to the Plan of Arrangement. Accordingly, the date on which a Crescita Arrangement SAR is Granted for purposes of this Plan shall be deemed to be the date of the grant of the Outstanding Nuvo SAR for which such Crescita Arrangement SAR was exchanged pursuant to the Plan of Arrangement, notwithstanding that this Plan was not effective at such time.
- (c) The Grant Price for each Crescita Arrangement SAR shall be deemed for all purposes of this Plan to be an amount equal to the product obtained by multiplying (i) the original grant price of the Outstanding Nuvo Option for which such Crescita Arrangement SAR was exchanged as part of the Plan of Arrangement, by (ii) the Butterfly Proportion (as such term is defined in the Plan of Arrangement).

3. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary or desirable in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the administration of the Plan shall be for the account of the Corporation.

4. GRANT OF SHARE APPRECIATION RIGHTS

- (a) All Crescita Arrangement SARs shall be subject to the terms and conditions of this Plan.
- (b) No rights other than the Crescita Arrangement SARs granted pursuant to the Plan of Arrangement shall be granted pursuant to this Plan.
- (c) Crescita Arrangement SARs shall vest at such times and to the extent set forth in the Grant Confirmation to which they relate.

5. SHARES RESERVED FOR ISSUANCE

Subject to receipt of Shareholder Approval, the maximum number of Shares reserved for issuance under this this Plan shall be fixed at 495,093.

6. VESTING OF SHARE APPRECIATION RIGHTS AND PAYMENT

- (a) Subject to Sections 8 and 10, each tranche of Crescita Arrangement SARs Granted to a Participant shall vest as of the applicable Vesting Date specified in the applicable Grant Confirmation and shall be payable (if applicable) in accordance with Section 6(b).
- (b) Upon the vesting of a tranche of Crescita Arrangement SARs, as set out in the applicable Grant Confirmation, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following the applicable Vesting Date (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant cash or Shares (or a combination thereof), as determined in accordance with Section 6(c), with an aggregate value equal to the amount, if any, determined, in respect of such tranche of Crescita Arrangement SARs, by multiplying:
 - (i) the positive amount (if any) by which the Fair Market Value of one Share as of the applicable Vesting Date exceeds the applicable Grant Price; by
 - (ii) the number of such vested Crescita Arrangement SARs (the "Payment Amount").

For certainty, if the amount calculated in Section 6(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Payment Amount (either in cash or Shares) in respect of such Crescita Arrangement SARs and the applicable Crescita Arrangement SARs shall automatically terminate and all rights in respect thereof shall expire.

- (c) The Participant shall have the option to elect whether to receive the Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date) or a combination thereof, provided that:
- (i) if the Participant elects to receive any portion of the Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the applicable Vesting Date); and
 - (ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Payment Amount is required to be paid, then the Payment Amount shall be paid solely in cash.

7. TRANSFERABILITY

The right to receive the Payment Amount (either in cash or Shares, as determined by the Corporation) pursuant to vested Crescita Arrangement SARs granted to a Participant may only be conferred to a Participant personally or, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Crescita Arrangement SAR by bequest or inheritance. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Crescita Arrangement SAR, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Crescita Arrangement SAR whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Crescita Arrangement SAR shall terminate and be of no further force or effect.

8. TERMINATION

- (a) If a Participant shall at any time:
- (i) no longer be a director of any of the Corporation, Nuvo or any of their respective Designated Affiliates (and is not or does not continue to be an employee or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability);
 - (ii) no longer be employed by any of the Corporation, Nuvo or any of their respective Designated Affiliates (and is not or does not continue to be a director or consultant thereof) for any reason (other than for Cause but, for certainty, including death or disability); or
 - (iii) no longer be engaged by any of the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant (and is not or does not continue to be a director or employee thereof) for any reason (other than for Cause but, for certainty, including death or disability),

(collectively, a "Termination"), then there shall be an automatic acceleration of vesting of such number of the Participant's outstanding Crescita Arrangement SARs (the "Termination SARs") as determined in accordance with the following formula (calculated separately for each outstanding tranche of Crescita Arrangement SARs):

$$(A / B) \times C$$

where,

- "A" means the number of days comprising the period from the Grant Date up to, and including, the date of Termination (which, in the case of the death of a Participant, shall be the date of death);
- "B" means the number of days comprising the period from the Grant Date up to, and including, the Vesting Date in respect of such tranche of Crescita Arrangement SARs; and
- "C" means the number of Crescita Arrangement SARs that comprise such tranche.

Any of the Participant's Crescita Arrangement SARs that do not vest pursuant to this Section 8(a) shall automatically terminate and all rights in respect thereof shall expire.

- (b) Upon Termination, the Corporation or the relevant Designated Affiliate, as the case may be, shall, within 30 days following such Termination (subject to extension pursuant to Section 13), deliver or cause to be delivered to the Participant (or, in the case of a Termination resulting from the death of a Participant, the estate of the Participant (or such person or persons to whom the rights of the Participant under the Crescita Arrangement SARs shall pass by the will of the Participant or the laws of descent and distribution)) cash or Shares (or a combination thereof), as determined in accordance with Section 8(c), with an aggregate value equal to the amount, if any, determined, in respect of each outstanding tranche of Crescita Arrangement SARs, by multiplying:
- (i) the positive amount (if any) by which the Fair Market Value of one Share on the date of Termination exceeds the applicable Grant Price; by
 - (ii) the number of such Termination SARs (the "Termination Payment Amount").

For illustration purposes, an example of how to calculate the Termination Payment Amount is provided in Schedule 2. For certainty, if the amount calculated in Section 8(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Termination Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

- (c) The Participant shall have the option to elect whether to receive the Termination Payment Amount in cash or Shares (based on the Fair Market Value of the Shares as of the date of the Termination) or a combination thereof, provided that
- (i) if the Participant elects to receive any portion of the Termination Payment Amount in cash, the Corporation shall have the right to satisfy all or any portion of such cash portion in Shares (based on the Fair Market Value of the Shares as of the date of the Termination); and
 - (ii) notwithstanding anything to the contrary in this Plan, if Shareholder Approval has not been obtained at the time when the Termination Payment Amount is required to be paid, then the Termination Payment Amount shall be paid solely in cash.
- (d) Where the terms of an Employment Contract or any other agreement to which the Corporation or its Designated Affiliates is a party relating to a Termination are preferential (from the Participant's perspective) to this Section 8, this Section 8 shall be subject to the provisions of such Employment Contract or other agreement.
- (e) If a Participant shall:
- (i) cease to be a director of the Corporation, Nuvo or any of their respective Designated Affiliates for Cause;
 - (ii) cease to be employed by the Corporation, Nuvo or any of their respective Designated Affiliates for Cause; or
 - (iii) cease to be engaged by the Corporation, Nuvo or any of their respective Designated Affiliates as a consultant for Cause,

then any Crescita Arrangement SARs held by such Participant at such time shall be deemed to have expired as of the effective date of such termination for Cause and the Participant shall not be entitled to receive any consideration in respect thereof unless otherwise determined by the Committee (provided, for certainty, that the Committee's discretion in this regard is absolute).

9. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the capital stock of the Corporation, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made by the Corporation with

respect to the aggregate number of Shares in respect of which Crescita Arrangement SARs were granted and the Grant Price of each such Crescita Arrangement SAR.

10. CHANGE OF CONTROL

- (a) Upon a change of control, any Crescita Arrangement SARs held by such Participant shall automatically and immediately vest.
- (b) Upon a change of control, the Corporation or the relevant Designated Affiliate, as the case may be, shall pay, and the Participant shall be entitled to receive, in cash, within 30 days following the change of control the amount, if any, determined, in respect of each tranche of Crescita Arrangement SARs, by multiplying:
 - (i) the positive amount (if any) by which the Fair Market Value of one Share on the change of control exceeds the applicable Grant Price; by
 - (ii) the number of such outstanding Crescita Arrangement SARs immediately prior to the change of control (the "Change of Control Payment Amount").
- (c) For certainty, if the amount calculated in Section 10(b)(i) is nil or a negative amount, the Participant shall not be entitled to receive any Change of Control Payment Amount and all of the Participant's outstanding Crescita Arrangement SARs shall automatically expire.

For the purposes of this paragraph, "change of control" shall include and shall be deemed to occur when any one or more of the following occurs after the Arrangement Date: (i) the acquisition of more than thirty percent (30%) of the common shares of the Corporation by any person or a group of persons acting jointly or in concert together with a change of thirty percent (30%) or more of the members of the Board of Directors of the Corporation within 12 months thereafter; (ii) a change of control as defined in a Participant's Employment Contract with the Corporation or any of its Designated Affiliates (if applicable); or (iii) a *de facto* change of control, including a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation or any other event which, in the reasonable opinion of the Committee constitutes a change of control;

11. AMENDMENT AND TERMINATION OF PLAN

The terms and conditions of the Plan as herein set forth may be amended, modified or otherwise changed, in whole or in part, in any manner, by the Directors at any time and from time to time, without shareholder approval, provided that:

- (a) the Participants shall be advised by the Corporation of any such amendments, modifications or changes, unless they are immaterial or non-substantive;
- (b) any such amendments, modifications or changes shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held; and
- (c) any such amendments, modifications or changes shall be subject to the approval of the Shareholders of the Corporation if required by applicable laws or the policies of any stock exchange on which the Shares are listed.

The Plan may be terminated or discontinued in whole or in part by the Directors at any time, without prior notice to, or the consent of, the Participants, provided that such termination shall not affect any Crescita Arrangement SARs then outstanding, unless consented to in writing by the Participant by whom such Crescita Arrangement SARs are held.

12. PAYMENTS UNDER THE PLAN AND FRACTIONAL SHARES

- (a) All payments made under the Plan by the Corporation or any Designated Affiliate (whether satisfied in cash or Shares) shall be made, net of any taxes required to be withheld under applicable legislation and, in the case of any cash payment, be made in Canadian dollars, or, if the Participant is normally resident in the United States, in United States dollars at a rate of exchange to be determined by the Corporation or the Designated Affiliate, as the case may be, at the time of payment.

- (b) No fractional Shares shall be issued in connection with the vesting of any Crescita Arrangement SARs. If the Corporation is required or elects to deliver Shares to satisfy a Payment Amount or Termination Payment Amount for any tranche of Crescita Arrangement SARs held by a Participant and the aggregate Payment Amount or Termination Payment Amount (net of any required withholdings pursuant to Section 12(a)) cannot be satisfied through the issuance of a whole number of Shares, the Corporation shall pay the portion of the applicable aggregate amount in respect of such tranche that cannot be satisfied through the issuance of whole Shares in cash, subject to the other terms of this Plan.

13. COMPLIANCE WITH STATUTES AND REGULATIONS

The treatment of Crescita Arrangement SARs under this Plan and the issuance of any Shares shall be carried out in compliance with all applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Committee determines in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with this Plan, no payment shall be made or Shares shall be issued in connection with any Crescita Arrangement SARs until such time as that action has been completed in a manner satisfactory to the Committee. Without limiting the foregoing, the deadline by which any Payment Amount or Termination Payment Amount is required to be satisfied shall be extended to the date that is ten business days following the date upon which the Fair Market Value of the Shares in respect of the Vesting Date, Termination or change of control, as applicable, can be determined.

14. TAXES

A Participant shall be solely responsible for all taxes resulting from his or her receipt of a Crescita Arrangement SAR or cash or Shares pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether satisfied in cash or Shares) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. For greater certainty, with respect to any payment to be satisfied in Shares hereunder, the Corporation shall have no obligation to deliver such Shares until the Participant makes arrangements, reasonably satisfactory to the Corporation, for the payment and remittance of any taxes required to be withheld and remitted in respect of such payment. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any Designated Affiliate if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

15. RIGHTS AS A SHAREHOLDER

No Participant shall have any rights as a shareholder of the Corporation with respect to any Shares which underlie the Crescita Arrangement SARs unless and until Shares are delivered to the Participant in accordance with this Plan. No Participant shall be entitled to receive, and no adjustment shall be made for, any regular dividends, distribution or other rights declared for shareholders of the Corporation.

16. GOVERNING LAW

The Plan, the determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED the ____ day of _____, 2016.

CRESCITA THERAPEUTICS INC.

Per: _____
Authorized Signatory

SCHEDULE 1
PLAN OF ARRANGEMENT

[See above.]

SCHEDULE 2

TERMINATION PAYMENT EXAMPLE

- On January 1, 2014, an employee is granted:
 - 10,000 Crescita Arrangement SARs with a Grant Price of \$1.00 and a Vesting Date of January 1, 2016 (the “2016 Tranche”); and
 - 10,000 Crescita Arrangement SARs with a Grant Price of \$1.50 and a Vesting Date of January 1, 2018 (the “2018 Tranche”).
- On January 1, 2015 the employee is terminated without Cause. The Share price on January 1, 2015 is \$2.00.
- The employee’s Termination SARs would be calculated as follows:
 - 2016 Tranche:
 - $A = 365$
 - $B = 730$
 - $C = 10,000$

Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): $(365 / 730) \times 10,000 = 5,000$ Crescita Arrangement SARs

- 2018 Tranche:
 - $A = 365$
 - $B = 1,460$
 - $C = 10,000$

Number of vested Crescita Arrangement SARs per Section 8(a) (i.e. Termination SARs): $(365 / 1460) \times 10,000 = 2,500$ Crescita Arrangement SARs

- The employee’s Termination Payment Amount would be calculated as follows:
 - 2016 Tranche:
 - Appreciation of Crescita Arrangement SARs = $\$2.00 - \$1.00 = \$1.00$
 - Number of Termination SARs = 5,000

Termination Payment Amount per Section 8(a): $\$1.00 \times 5,000 = \$5,000$

- 2018 Tranche:
 - Appreciation of Crescita Arrangement SARs = $\$2.00 - \$1.50 = \$0.50$
 - Number of Termination SARs = 2,500

Termination Payment Amount per Section 8(a): $\$0.50 \times 2,500 = \$1,250$

EXHIBIT VI

Subsequent Amendment to the Articles of Nuvo Research Inc.

The Articles of Nuvo Research Inc. (the "Corporation") are amended as follows in accordance with the provisions of the plan of arrangement involving the Corporation, its shareholders, 2487001 Ontario Limited and 2487002 Ontario Limited under section 182 of the *Business Corporations Act* (Ontario) (the "Plan of Arrangement"):

- (i) to decrease the authorized capital of the Corporation by cancelling all the Special Shares (referred to as "Nuvo Butterfly Shares" in the Plan of Arrangement), whether issued or unissued;
- (ii) to decrease the authorized capital of the Corporation by cancelling all the Class A Common Shares, whether issued or unissued;
- (iii) to delete section 7 of the Articles of the Corporation in its entirety and replace it with the following to give effect to the foregoing: "The Corporation is authorized to issue an unlimited number of shares to be designated as First Preference Shares, issuable in series, an unlimited number of shares to be designated as Second Preference Shares, issuable in series, and an unlimited number of shares to be designated as Common Shares.";
- (iv) to change the name of the Corporation from "Nuvo Research Inc." to "Nuvo Pharmaceuticals Inc."; and
- (v) to delete Schedule 1 annexed to the Articles of the Corporation in its entirety and replace it with the following Schedule 1:

"Schedule 1

ARTICLE 1 INTERPRETATION

- 1.01 References to "Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.
- 1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2 COMMON SHARES

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 2.01 Votes: The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.
- 2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation.
- 2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Common Shares shall, after payment to the holders of First Preference Shares, Second Preference

Shares and shares of any other class ranking senior to the Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation.

- 2.04 Limitation: Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (a) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;
 - (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or
 - (c) create a new class of shares or series equal or superior to the Common Shares.

ARTICLE 3 FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- 3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:
- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
 - (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
 - (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
 - (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
 - (e) the voting rights, if any;
 - (f) any conversion, exchange or reclassification rights; and
 - (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

- 3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) senior to, and shall be entitled to a preference over, the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.

3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.

3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series.

3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

(a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;

- (b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or
- (c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

**ARTICLE 4
SECOND PREFERENCE SHARES**

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:

- (a) the rate, amount or method of calculation, of any dividends and whether any dividends are subject to adjustment;
- (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;
- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) senior to, and shall be entitled to a preference over, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.

4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;
- (b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or
- (c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.

EXHIBIT VII

Terms and Conditions of the Shares of Crescita

ARTICLE 1
INTERPRETATION

- 1.01 References to "Act": In this schedule, as from time to time amended, unless there is something in the context inconsistent herewith, "Act" means the *Business Corporations Act* (Ontario), or its successor, as amended from time to time.
- 1.02 Headings, Gender, Number: This schedule as from time to time amended, shall be read without regard to paragraph headings, which are included for ease of reference only, and with all changes in gender and number required by the context.

ARTICLE 2
COMMON SHARES

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 2.01 Votes: The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to one vote for each one Common Share held on all polls taken at such meetings.
- 2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the First Preference Shares and the Second Preference Shares, or any series thereof, respectively, and the shares of any other class ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive dividends as and when declared by the directors of the Corporation.
- 2.03 Liquidation: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the property and assets of the Corporation for the purpose of winding up the affairs of the Corporation, holders of Common Shares shall, after payment to the holders of First Preference Shares, Second Preference Shares and shares of any other class ranking senior to the Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation.
- 2.04 Limitation: Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:
- (a) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;
 - (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or
 - (c) create a new class of shares or series equal or superior to the Common Shares.

ARTICLE 3
FIRST PREFERENCE SHARES

The First Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- 3.01 Directors' Right to Issue in One or More Series: The First Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of First Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of First Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the First Preference Shares of such series including, without limitation:

- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
- (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of First Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

3.02 Ranking of First Preference Shares of Each Series: The First Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on a parity with the First Preference Shares of every other series and (b) senior to, and shall be entitled to a preference over, the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares. The First Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Second Preference Shares, the Common Shares, and the shares of any other class ranking junior to the First Preference Shares as may be fixed in accordance with 3.01 hereof.

3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of First Preference Shares, the holders of First Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of First Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

3.04 Amendment with Approval of Holders of First Preference Shares: The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, removed or changed only with the approval of the holders of First Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 3.05 hereof.

3.05 Approval of Holders of First Preference Shares: The approval of the holders of First Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

- (a) Approval and Quorum: Any approval required to be given by the holders of First Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding First Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares who voted in respect of that resolution at a meeting of the holders of First Preference Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding First Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting

may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of First Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of First Preference Shares at such meeting shall constitute the approval of the holders of First Preference Shares.

- (b) Votes: On every poll taken at any meeting in respect of which only the holders of First Preference Shares of more than one series are entitled to vote, each holder of First Preference Shares shall be entitled to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

3.06 Shares Issued in Series with Identical Rights: Where First Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of First Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of First Preference Shares had been issued simultaneously and all such series of First Preference Shares may be designated as one series.

3.07 Limitation: Subject to the provisions of the Act, the holders of First Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized First Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the First Preference Shares or any series thereof;
- (b) effect an exchange, reclassification or cancellation of all or part of the First Preference Shares or any series thereof; or
- (c) create a new class or series of shares equal or superior to the First Preference Shares or any series thereof.

ARTICLE 4 SECOND PREFERENCE SHARES

The Second Preference Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

4.01 Directors' Right to Issue in One or More Series: The Second Preference Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Second Preference Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Second Preference Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Second Preference Shares of such series including, without limitation:

- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
- (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (c) the dates, manner and currency of any payments of dividends and the date from which any dividends accrue or become payable;

- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Second Preference Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

4.02 Ranking of Second Preference Shares of Each Series: The Second Preference Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) junior and subordinate to the First Preference Shares, (b) on a parity with the Second Preference Shares of every other series and (c) senior to, and shall be entitled to a preference over, the Common Shares and the shares of any other class ranking junior to the Second Preference Shares. The Second Preference Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares, and the shares of any other class ranking junior to the Second Preference Shares as may be fixed in accordance with 4.01 hereof.

4.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Second Preference Shares, the holders of Second Preference Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided however that the holders of Second Preference Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.

4.04 Amendment with Approval of Holders of Second Preference Shares: The rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class may be added to, removed or changed only with the approval of the holders of Second Preference Shares given in accordance with the requirements of the Act and the minimum requirement provided in 4.05 hereof.

4.05 Approval of Holders of Second Preference Shares: The approval of the holders of Second Preference Shares as a class to any matters referred to in these provisions may be given as specified below:

(a) Approval and Quorum: Any approval required to be given by the holders of Second Preference Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Second Preference Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Second Preference Shares who voted in respect of that resolution at a meeting of the holders of Second Preference Shares called and held for that purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Second Preference Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Second Preference Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of Second Preference Shares.

(b) Votes: On every poll taken at any meeting in respect of which only the holders of the Second Preference Shares of more than one series are entitled to vote, each holder of Second Preference Shares shall be entitled

to one vote in respect of the greater of (i) each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share and (ii) each \$1.00 of the liquidation preference or redemption preference (excluding any amount payable in respect of declared but unpaid or accrued but unpaid dividends) attached to each such share (and if the liquidation preference and redemption preference are not the same at the applicable time, then the greater of the two).

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

4.06 Shares Issued in Series with Identical Rights: Where Second Preference Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Second Preference Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Second Preference Shares had been issued simultaneously and all such series of Second Preference Shares may be designated as one series.

4.07 Limitation: Subject to the provisions of the Act, the holders of Second Preference Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Second Preference Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized Second Preference Shares or any series thereof, or increase any maximum number of authorized shares of a class or any series having rights or privileges equal or superior to the Second Preference Shares or any series thereof;
- (b) effect an exchange, reclassification or cancellation of all or part of the Second Preference Shares or any series thereof; or
- (c) create a new class or series of shares equal or superior to the Second Preference Shares or any series thereof.

EXHIBIT VIII

By-Laws of Crescita

BY-LAW NUMBER 1

A by-law relating generally to the
transaction of the business and affairs of
Crescita Therapeutics Inc.

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BY-LAW 1

ARTICLE ONE
INTERPRETATION

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

- (a) "Act" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;
- (b) "Corporation" means Crescita Therapeutics Inc. and its successors;
- (c) "holiday" means Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario) or its successor, as amended from time to time;
- (d) "person" includes an individual, body corporate, sole proprietorship, partnership or syndicate, an unincorporated association or organization, a joint venture, trust or employee benefit plan, a government or any agency or political subdivision thereof, and a person acting as trustee, executor, administrator or other legal representative;
- (e) "recorded address" means, with respect to a single shareholder, the address of such shareholder most recently recorded in the securities register of the Corporation; with respect to joint shareholders, the first address appearing in the securities register of the Corporation in respect of their joint holding; and, with respect to any other person, but subject to the Act, the address of such person most recently recorded in the records of the Corporation or otherwise known to the Secretary of the Corporation;
- (f) subject to the foregoing, words and expressions that are defined in the Act have the same meanings when used in the by-laws of the Corporation as in the Act; and
- (g) words importing the singular include the plural and vice-versa, words importing any gender include the masculine, feminine and neuter genders, and headings contained in the by-laws of the Corporation are for convenience of reference only and shall not affect the interpretation of the by-laws of the Corporation.

**ARTICLE TWO
MEETINGS OF SHAREHOLDERS**

- 2.01 **Annual Meeting:** The annual meeting of the shareholders of the Corporation shall be held on such day and at such time as the board may, subject to the Act, determine from time to time, for the purpose of transacting such business as is properly brought before the meeting.
- 2.02 **Special Meeting:** From time to time the board may call a special meeting of the shareholders of the Corporation to be held on such day and at such time as the board may determine. Any special meeting of shareholders of the Corporation may be combined with an annual meeting.
- 2.03 **Place of Meetings:** Meetings of shareholders of the Corporation shall be held at such place within Canada as the board may determine from time to time.
- 2.04 **Record Date:** The board by resolution may fix in advance a record date, preceding the date of any meeting of shareholders of the Corporation by not more than 60 days nor less than 30 days, for the determination of the shareholders entitled to notice of the meeting, and where no such record date for notice is fixed by the board, the record date for notice shall be the close of business on the day immediately preceding the day on which notice is given. Notice of any such record date fixed by the board shall be given in the manner required by the Act.
- 2.05 **Notice:** Notice in writing of the time and place of, and purpose for holding, each meeting of shareholders of the Corporation shall be sent not less than 21 days nor more than 50 days before the date on which the meeting is to be held, to each director, the auditor of the Corporation and each person who on the record date for notice appears in the securities register of the Corporation as the holder of one or more shares carrying the right to vote at the meeting or as the holder of one or more shares the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of shareholders of the Corporation shall state or be accompanied by the text of any special resolution or by-law to be submitted to the meeting and a statement in accordance with the Act of the nature of all special business to be transacted at the meeting. If two or more persons are registered as joint shareholders of any share, notice to one of such persons shall be sufficient notice to all of them. Reference is made to sections 8.07 to 8.12 of this by-law.
- 2.06 **Proxy and Management Information Circular:** The Secretary or any other officer of the Corporation shall, concurrently with sending notice of a meeting of the shareholders of the Corporation, (i) send a form of proxy and management information circular in accordance with the Act to each shareholder who is entitled to receive notice of, and is entitled to vote at, the meeting, (ii) send such management information circular to any other shareholder of the Corporation who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled to attend thereto and to the auditor of the Corporation, and (iii) file with any regulatory or other agencies entitled thereto, a copy of all documents sent in connection with the meeting.
- 2.07 **Persons Entitled to be Present:** The only persons entitled to attend a meeting of the shareholders of the Corporation shall be those persons entitled to notice thereof, those entitled to vote thereat and others who although not entitled to notice are entitled or required under any provision of the Act or the 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.
- 2.08 **Chairman, Secretary and Scrutineer:** The Chairman of the Board, or in his or her absence, the Vice-Chairman of the Board, or in his or her absence, the President, or in the absence of all of them, a person designated by the board shall be chairman of any meeting of the shareholders of the Corporation. If no such person is present within 15 minutes after the time appointed for the holding of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. The Secretary of the Corporation shall act as the secretary of the meeting. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. One or more scrutineers, who need not be shareholders of the Corporation, may be appointed by the chairman or by a resolution of the shareholders.
- 2.09 **Quorum:** The quorum for the transaction of business at any meeting of the shareholders of the Corporation shall be two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or proxyholders. If a quorum is not present within such reasonable time after the time appointed for the holding of the meeting as the persons present and entitled to vote thereat may determine, such persons may adjourn the meeting to a fixed time and place.
- 2.10 **Persons Entitled to Vote:** Without prejudice to any other right to vote, every shareholder recorded on the shareholder list prepared for a meeting of the shareholders of the Corporation in accordance with the Act is entitled, at the meeting

to which the list relates, to vote the shares shown on such list with respect to such shareholder. However, where two or more persons hold the same shares jointly, any one of them may in the absence of the others vote in respect of such shares but, if more than one of such persons are present or represented and vote, they shall vote together as one on the shares jointly held by them or not at all.

- 2.11 Proxies: Shareholders of the Corporation shall be entitled to vote in person or, if a corporation, by a representative duly authorized by a resolution of the directors or other governing body of such corporation. Every shareholder of the Corporation, including a shareholder that is a body corporate, entitled to vote at a meeting of the shareholders of the Corporation may by means of a proxy appoint a proxyholder or alternate proxyholders, who need not be shareholders, as his or her 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 by the attorney of the shareholder or shall be an electronic document with an electronic signature and shall conform with the requirements of the Act. The chairman of the meeting shall determine the authenticity of all signatures.

The board by resolution may also permit particulars of instruments of proxy for use at or in connection with any such meeting and, if so determined by the board of directors, any adjournment thereof, to be provided as an electronic document to the Secretary of the Corporation or such other agent as the board may from time to time determine prior to any such meeting, and, in such event, such instruments of proxy, if otherwise in order, shall be valid and any votes cast in accordance therewith shall be counted.

The chairman of any meeting of the shareholders of the Corporation may also in his or her discretion, unless otherwise determined by resolution of the board, accept electronic documents as to the authority of anyone claiming to vote on behalf of or to represent a shareholder of the Corporation notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation and any votes cast in accordance with such electronic document accepted by the chairman of the meeting shall be valid and shall be counted.

A proxy may be signed and delivered in blank and filled in afterwards by the Chairman of the Board, the President, the Secretary or an Assistant-Secretary of the Corporation.

It shall not be necessary to insert in the proxy the number of shares owned by the appointer.

The board may, at the Corporation's expense, send out forms of proxy in which certain directors or officers are named, which may be accompanied by stamped envelopes for the return of the forms, even if the directors so named vote the proxies in favour of their own election as directors.

The board may specify in the notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been received by the Secretary of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting.

A proxy ceases to be valid one year from its date.

- 2.12 Voting: At each meeting of the shareholders of the Corporation every question proposed for consideration by the shareholders of the Corporation shall be decided by a majority of the votes duly cast thereon, unless otherwise required by the articles or by-laws of the Corporation or by law. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote. Every question submitted to any meeting of the shareholders of the Corporation may be decided either by a show of hands or by ballot.

Where two or more persons hold a share or shares jointly, any one of them present or represented by proxy at a meeting of the shareholders of the Corporation may, in the absence of the other or others, vote such share or shares but, if more than one of them are present or represented, they shall vote as one on the share or shares jointly held by them.

- 2.13 Show of Hands: At each meeting of the shareholders of the Corporation voting shall be by show of hands unless a ballot is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the show of hands shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a

ballot thereon be so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the question was carried or carried by a particular majority or not carried or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the result of the vote without proof of the number or percentage of votes cast for or against.

2.14 **Ballots:** On any question proposed for consideration at a meeting of the shareholders of the Corporation a ballot may be required by the chairman of the meeting or demanded by any person present and entitled to vote, either before any vote by show of hands or thereafter and prior to the declaration of the result of the vote by show of hands by the chairman of the meeting. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a poll upon the question shall be taken in such manner as the chairman of the meeting shall direct. Subject to the articles of the Corporation, upon a ballot each person present shall be entitled to the number of votes specified in the articles in respect of each share which such person is entitled to vote at the meeting on the question.

2.15 **Procedure at Meetings:** The chairman of any meeting of the shareholders of the Corporation shall conduct the procedure thereat in all respects and the decision of the chairman on all matters or things including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy or ballot, shall be conclusive and binding upon the shareholders of the Corporation, except as otherwise provided in the by-laws of the Corporation.

A meeting of the shareholders of the Corporation may be adjourned only upon the affirmative vote of a majority of the votes cast in respect of shares present or represented in person or by proxy at the meeting. Any business may be brought before or dealt with at any adjourned meeting which may have been brought up or dealt with at the original meeting.

ARTICLE THREE ADVANCE NOTICE OF NOMINATION OF DIRECTORS

3.01 **Nominations:** Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a "Nominating Shareholder"):
 - (i) who, at the close of business on the date of the giving of the notice provided for below in this Article Three and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth below in this Article Three.

3.02 **Notice:** In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this by Law.

3.03 **Timely Notice:** To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be sent:

- (a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty (60) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the

Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

3.04 **Form of Notice:** To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (i) the name, age, business address and residential address of the person;
 - (ii) the principal occupation or employment of the person;
 - (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iv) the citizenship of the person;
 - (v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the person or any affiliates or associates of, or any person or entity acting jointly or in concert with, the person or the Nominating Shareholder;
 - (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in section 3.07); and
- (b) as to the Nominating Shareholder giving the notice:
 - (i) the name, business and residential address of the Nominating Shareholder;
 - (ii) the direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired of the Nominating Shareholder;
 - (iii) the Nominating Shareholder's interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the Nominating Shareholder's economic exposure to the Corporation;
 - (iv) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation;
 - (v) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at the meeting;
 - (vi) a representation as to whether such Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and

- (vii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in section 3.07).
- 3.05 **Additional Information:** The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- 3.06 **Eligibility:** No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Article Three; provided, however, that nothing in this Article Three shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 3.07 **Definitions:** For purposes of this Article Three,
- (1) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (2) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- 3.08 **Delivery of Notice:** Notwithstanding any other provision of the by-laws of the Corporation, notice given to the Secretary of the Corporation pursuant to this Article Three may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- 3.09 **Discretion of the Board:** Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section.

ARTICLE FOUR DIRECTORS

- 4.01 **Powers of the Board of Directors:** The board of directors of the Corporation shall supervise the management of the business and affairs of the Corporation.
- 4.02 **Number and Quorum of Directors:** The number of directors of the Corporation shall be the number from time to time fixed by the articles, or the number from time to time determined within the range provided for in the articles by special resolution of the shareholders of the Corporation (or by the directors of the Corporation when empowered to do so by special resolution of the shareholders of the Corporation). The number of directors of the Corporation from time to time required to constitute a quorum for the transaction of business at a meeting of the board shall be 40% of the number of directors so fixed or determined at that time (or, if that is a fraction, the next larger whole number of directors).
- 4.03 **Election and Term:** Directors of the Corporation shall be elected to hold office for a term or terms, respectively, expiring at the close of the first, second or third annual meeting of shareholders following their election or when their successors are duly elected.

- 4.04 **Vacancies:** Notwithstanding vacancies but subject to the Act, the remaining directors of the Corporation may exercise all the powers of the board as long as a quorum of the board remains in office. Vacancies in the board may be filled in accordance with the Act.
- 4.05 **Calling Meetings:** Meetings of the board shall be held from time to time at such places within or outside Ontario (or by such communication facilities as are permitted by the Act) on such days and at such times as any two directors or the Chief Executive Officer or the President or any Vice-President who is a director or any other officer designated by the board may determine. In any financial year of the Corporation a majority of the meetings of the board may be held within or outside Canada.
- 4.06 **Notice:** Notice of the time and of the place or manner of participation for every meeting of the board shall be sent to each director not less than 24 hours (excluding Saturdays and holidays) before the time of the meeting. Reference is made to sections 8.07 to 8.12 of this by-law.
- 4.07 **First Meeting of New Board:** Each newly constituted board may hold its first meeting without notice on the same day as the meeting of the shareholders of the Corporation at which directors of the Corporation are elected.
- 4.08 **Chairman:** The Chairman of the Board, or in his or her absence, a Vice-Chairman, or in his or her absence, the President, or in the absence of all of them, a director designated by the board, or in his or her absence, a director designated by the meeting shall be chairman of any meeting of the board.
- 4.09 **Voting:** At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote.
- 4.10 **Signed Resolutions:** When there is a quorum of directors of the Corporation in office, a resolution in writing signed by all of the directors of the Corporation entitled to vote thereon at a meeting of the board or any committee thereof is as valid as if passed at such meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.
- 4.11 **Meetings by Telephone:** If all of the directors of the Corporation consent (such consent may be given at any time), a director of the Corporation may participate in a meeting of the directors of the Corporation or committee thereof by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and such director shall be deemed to be present at the meeting.
- 4.12 **Remuneration:** Directors of the Corporation may be paid such remuneration for acting as directors and such amounts in respect of their out-of-pocket expenses incurred in performing their duties as the board may determine from time to time. Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.
- 4.13 **Committees:** The board shall appoint an audit committee. The board, from time to time, may appoint other committees of directors including an executive committee, a majority of which shall be resident Canadians. The composition of each committee shall meet the requirements of the Act. Each committee shall have those powers and duties lawfully delegated to it by the board or provided by the Act. Unless otherwise determined by the board, each committee may fix its quorum, elect its chairman and adopt rules to regulate its procedure. Subject to the foregoing, the procedure of each committee shall be governed by the provisions of this by-law which govern proceedings of the board so far as the same can apply, except that a meeting of a committee may be called by any member thereof (or by the auditor, in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor, in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his or her absence, some other member of the committee. The Secretary of the Corporation shall be the secretary of each committee. Each committee shall keep records of its proceedings and transactions and shall report all such proceedings and transactions to the board in a timely manner.

ARTICLE FIVE OFFICERS AND EMPLOYEES

- 5.01 **Appointment of Officers:** From time to time, the board may appoint a Chairman of the Board, one or more Vice-Chairman of the Board, a President, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents, a Treasurer, a Secretary, a Controller and such other officers as the board may determine, including one or more assistants to any of the officers so appointed, may designate one officer as Chief Executive Officer of the Corporation and one officer as Chief Financial Officer of the Corporation and may revoke any such

designation. One person may hold more than one office. Except for the Chairman of the Board and any Vice-Chairman of the Board, the officers so appointed need not be directors of the Corporations.

- 5.02 **Appointment of Non-Officers:** The board may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the board may determine from time to time.
- 5.03 **Terms of Employment:** The board may settle from time to time the terms of employment of the officers and any other persons appointed by it and may remove at its pleasure any such person without prejudice to his or her rights, if any, to compensation under any employment contract.
- 5.04 **Powers and Duties of Officers:** The board may from time to time specify the duties of each officer, delegate to him or her powers to manage any business or affairs of the Corporation (including the power to sub-delegate any such duties and powers), all insofar as are not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.
- 5.05 **Incentive Plans:** For the purposes of enabling key officers and employees of the Corporation and its affiliates to participate in the growth of the Corporation and of providing effective incentive to such officers and employees, the board may establish such plans (including stock option plans, stock purchase plans and stock bonus plans) and make such rules and regulations with respect thereto, and such changes in such plans, rules and regulations, as the board may deem advisable from time to time. From time to time the board may designate the key officers and employees entitled to participate in any such plan. For the purposes of any such plan the Corporation may provide such financial assistance by means of loan, guarantee or otherwise to key officers and employees as is permitted by the Act.

ARTICLE SIX CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

- 6.01 **Standard of Care:** Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 6.02 **Disclosure of Interest:** A director or officer of the Corporation who now or in future is a party to, or is a director or officer of, or has a material interest, in another person who is a party to, any existing or proposed material contract or transaction with the Corporation shall, in accordance with the Act, disclose in writing to the Corporation or request to have entered in the minutes of meetings of the board the nature and extent of his or her interest. Except as permitted by the Act, a director of the Corporation so interested shall not vote on any motion to approve such contract or transaction. A general notice to the board by a director or officer of the Corporation that he or she is a director or officer of, or has a material interest in, a person and is to be regarded as interested in any contract made or transaction entered into with that person is a sufficient disclosure of interest in relation to any contract or transaction so made or entered into.
- 6.03 **Indemnity:** Subject to the limitations in the Act regarding indemnities in respect of derivative actions, the Corporation may indemnify and save harmless every director or officer, every former director or officer, and every individual who acts or acted at the Corporation's request as a director or officer or an individual in a similar capacity of another entity, from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by that individual in respect of any civil, criminal, administrative, investigative or other proceeding to which that individual is involved because of their association with the Corporation or other entity if:
- (a) such person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interest of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing his or her conduct was lawful.

Nothing in this section shall affect any other right to indemnity to which any person may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that a person did not meet a condition set out in clause (a) or (b) of this section or any corresponding condition in the Act. From time to time the board may determine that this section shall also apply to the employees of the Corporation who are not directors or officers of the Corporation or to any particular one or more or class of such employees, either generally or in respect of a particular occurrence

or class of occurrences and either prospectively or retroactively (to any date not earlier than the date of this by-law). From time to time thereafter the board may also revoke, limit or vary the continued application of this section.

- 6.04 **Advance of Costs:** The Corporation may advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 6.03, but such individual shall be required to repay the money if the individual does not fulfil the conditions set out in section 6.05.
- 6.05 **Limitation of Liability:** So long as such person acts honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or as an individual in a similar capacity at the Corporation's request, no person referred to in section 6.03 of this by-law (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation, except where so required by the Act.
- 6.06 **Insurance:** Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in section 6.03 of this by-law.

ARTICLE SEVEN BORROWING POWERS

- 7.01 **Borrowing Powers:** The board may, without authorization of the shareholders,
- (a) borrow money upon the credit of the Corporation;
 - (b) issue, reissue, sell or pledge debt obligations of the Corporation;
 - (c) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- 7.02 **Delegation of Powers:** The board may by resolution delegate any or all of the powers referred to in section 7.01 of this by-law to a director, a committee of directors or an officer of the Corporation.

ARTICLE EIGHT MISCELLANEOUS

- 8.01 **Execution of Documents:** Contracts, documents and other instruments in writing may be signed on behalf of the Corporation by such person or persons as the board may from time to time by resolution designate. In the absence of an express designation as to the persons authorized to sign either contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing, any one of the directors or officers of the Corporation may sign contracts, documents or instruments in writing on behalf of the Corporation. In addition, the board may from time to time indicate who may or shall sign any particular contract or document or class of contracts or documents. Any officer of the Corporation may affix the corporate seal to any contract or document and may certify a copy of any resolution or of any by-law or contract or document of the Corporation to be a true copy thereof. Subject to the Act, and if authorized by the board, the corporate seal of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any contracts or documents of the Corporation. Any such electronic signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contracts or documents.
- 8.02 **Share Certificates:** Every shareholder of the Corporation is entitled at his or her option to a share certificate that complies with the Act and states the number, class and series designation, if any, of the shares of the Corporation held by him or her as appears on the securities register of the Corporation. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares held jointly by several persons, and delivery of such certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgements shall be in such forms as the board by resolution shall approve from time to time and, unless otherwise ordered by the board, shall be signed in accordance with section 8.01 of this by-law and need not be under corporate seal. However, certificates representing shares in respect of which a transfer agent has been appointed shall

be signed manually or by facsimile signature by or on behalf of such transfer agent and other share certificates and acknowledgements shall be signed manually by at least one signing officer of the Corporation.

- 8.03 **Replacement of Share Certificates:** The Secretary of the Corporation may prescribe either generally or in a particular case reasonable conditions, in addition to those provided in the Act, upon which a new share certificate may be issued in place of any share certificate which is claimed to have been lost, destroyed or wrongfully taken, or which has become defaced.
- 8.04 **Registration of Transfer:** No transfer of shares need be recorded in the register of transfers except upon presentation of the share certificate representing such shares endorsed by the appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with all other conditions set out in the Act.
- 8.05 **Dividends:** Subject to the Act and the articles of the Corporation, the board may from time to time declare dividends payable to the shareholders of the Corporation, according to their respective rights and interests in the Corporation. A dividend payable to any shareholder of the Corporation, in money may be paid by cheque payable to the order of the shareholder and shall be mailed to the shareholder by prepaid mail addressed to him or her at his or her recorded address unless he or she directs otherwise. In the case of joint holders the cheque shall be made payable to the order of all of them, unless such joint holders direct otherwise in writing. The mailing of a cheque as aforesaid, unless it is not paid on due presentation, shall discharge the liability of the Corporation for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque sent is not received by the payee thereof, the Corporation shall issue to such person a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Secretary of the Corporation may require.
- 8.06 **Dealings with Registered Shareholder:** 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 of the share and otherwise to exercise all of the rights and powers of a holder of the share. The Corporation may, however, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes appropriate evidence to the Corporation establishing his, her or its authority to exercise the rights relating to a share of the Corporation.
- 8.07 **Notices to Shareholders, Directors:** Any notice or document required or permitted to be sent by the Corporation to a shareholder or director of the Corporation may be mailed by prepaid Canadian mail in a sealed or unsealed wrapper addressed to, or may be delivered personally to, such person at his or her last recorded address or may be sent by any other means permitted under the Act. If so mailed, the notice or document shall be deemed to have been received by the addressee on the fifth day after mailing. If notices or documents so mailed to a shareholder of the Corporation are returned on three consecutive occasions because such shareholder cannot be found, the Corporation need not send any further notices or documents to such shareholder until such shareholder informs the Corporation in writing of his or her new address. If the address of any shareholder of the Corporation does not appear in the records of the Corporation, then any notice or document may be mailed to such address as the person sending the notice or document may consider to be the most likely to reach promptly such shareholder.
- 8.08 **Notices to Others:** Any notice or document required or permitted to be sent by the Corporation to any other person may be (i) delivered personally to such person, (ii) addressed to such person and delivered to the recorded address of such person, (iii) mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to such person at the recorded address of such person or (iv) addressed to such person and sent to the recorded address of such person by electronic means or any other means of legible communication then in business use in Canada. A notice or document so mailed or sent shall be deemed to have been received by the addressee when deposited in a post office or public letter box (if mailed) or when transmitted by the Corporation on its equipment or delivered to the appropriate communication agency or its representative for dispatch, as the case may be (if sent by electronic means or other means of legible communication).
- 8.09 **Changes in Recorded Address:** The Secretary of the Corporation may change the recorded address of any person in accordance with any information the Secretary believes to be reliable.
- 8.10 **Computation of Days:** In computing any period of days under the by-laws of the Corporation or the Act, the period shall be deemed to commence the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall end at midnight of the day next following that is not a Sunday or holiday.

- 8.11 **Omissions and Errors:** The accidental omission to give any notice to any person, or the non-receipt of any notice by any person, or any immaterial error in any notice shall not invalidate any proceeding or action taken at any meeting held pursuant to such notice or otherwise founded thereon.
- 8.12 **Waiver of Notice:** Any person entitled to attend a meeting of the shareholders or directors of the Corporation or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder of the Corporation or the proxyholder or authorized representative of such shareholder or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws of the Corporation or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws of the Corporation if all persons not receiving the notice to which such persons are entitled waive notice of or accept short notice of the holding of such meeting.
- 8.13 **Electronic Signatures:** Any requirement under the Act or this by-law for a signature, or for a document to be executed, is satisfied by a signature or execution in electronic form if such is permitted by law and all requirements prescribed by law are met.

DATED this ____ day of _____, 2016.

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