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**COR AMND/RESTATE/CORRECT OR O/D RESIGN
POLLARD BANKNOTE LIMITED CORP.**

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(Title of person signing)

Industry
CanadaIndustrie
Canada**Certificate of Compliance***Canada Business Corporations Act*
s. 263.1**Certificat de conformité***Loi canadienne sur les sociétés par actions*
art. 263.1**Pollard Banknote GP Limited**

Corporate name / Dénomination sociale

641182-7

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

Aïssa Aomari

Deputy Director / Directeur adjoint

2010-05-18Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)



Industry Canada Industrie Canada
Canada Business Loi canadienne sur
Corporations Act les sociétés par actions

I HEREBY CERTIFY THAT THE
ATTACHED IS A TRUE COPY OF THE
DOCUMENT MAINTAINED IN THE
RECORDS OF THE DIRECTOR.

JE CERTIFIE, PAR LES PRÉSENTES, QUE LE
DOCUMENT CI-JOINT EST UNE COPIE
EXACTE D'UN DOCUMENT CONTENU
DANS LES LIVRES TENUS PAR LE
DIRECTEUR.

A handwritten signature in black ink, appearing to read "A. Solomon".

Deputy Director - Directeur adjoint

Date



Canada



Industry Canada Industrie Canada

Certificate of Arrangement

Certificat d'arrangement

Canada Business Corporations Act

Loi canadienne sur les sociétés par actions

POLLARD BANKNOTE LIMITED

641182-7

7510101 Canada Limited

751010-1

Name of CBCA corporation(s) involved -
Dénomination(s) de la (des) société(s)
L.C.S.A. concernée(s)

Corporation number - Numéro de la société

I hereby certify that the arrangement set out in the attached articles of arrangement, involving the above-referenced corporation(s), has been effected under section 192 of the *Canada Business Corporations Act*.

Je certifie que l'arrangement mentionné dans les clauses d'arrangement annexées, concernant la (les) société(s) susmentionnée(s), a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

Aissa Aomari
Deputy Director / Directeur adjoint

May 14, 2010 / le 14 mai 2010

Date of Arrangement - Date de l'arrangement

Canada



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 14.1
ARTICLES OF ARRANGEMENT
(SECTION 192)

FORMULAIRE 14.1
CLAUSES D'ARRANGEMENT
(ARTICLE 192)

1 - Name of the applicant corporation(s) - Dénomination sociale de la(des) requérante(s) 7510101 CANADA LIMITED POLLARD BANKNOTE LIMITED	2 - Corporation No.(s) - N°(s) de la(des) société(s) 751010-1 641182-7
3 - Name of the corporation(s) the articles of which are amended, if applicable Dénomination sociale de la(des) société(s) dont les statuts sont modifiés, le cas échéant 7510101 Canada Limited Pollard Banknote Limited	4 - Corporation No.(s) - N°(s) de la(des) société(s) 7510101 6411827
5 - Name of the corporation(s) created by amalgamation, if applicable Dénomination sociale de la(des) société(s) issue(s) de la(des) fusion(s), le cas échéant Not applicable	6 - Corporation No.(s) - N°(s) de la(des) société(s) Not applicable
7 - Name of the dissolved corporation(s), if applicable Dénomination sociale de la(des) société(s) dissoute(s), le cas échéant Not applicable	8 - Corporation No.(s) - N°(s) de la(des) société(s) Not applicable
9 - Name of other corporations involved, if applicable Dénomination sociale des autres sociétés en cause, le cas échéant Pollard Holdings Limited Partnership Pollard Banknote Income Fund Pollard Banknote Trust	10 - Corporation No.(s) or Jurisdiction of Incorporation N°(s) de la(des) société(s) ou loi sous le régime de laquelle elle est constituée Manitoba Ontario Ontario

11 - In accordance with the order approving the arrangement - Conformément aux termes de l'ordonnance approuvant l'arrangement

- a. ☒ The articles of the above named corporation(s) are amended in accordance with the attached plan of arrangement
Les statuts de la(des) société(s) susmentionnée(s) sont modifiés en conformité avec le plan d'arrangement ci-joint

The name of Pollard Banknote Limited is changed to Pollard Banknote GP Limited

The name of 7510101 Canada Limited is changed to Pollard Banknote Limited

- b. ☐ The following bodies corporate are amalgamated in accordance with the attached plan of arrangement
Les personnes morales suivantes sont fusionnées conformément au plan d'arrangement ci-joint
- c. ☐ The above named corporation(s) is(are) liquidated and dissolved in accordance with the attached plan of arrangement
La(les) société(s) susmentionnée(s) est(sont) liquidée(s) et dissoute(s) conformément au plan d'arrangement ci-joint
- d. ☒ The plan of arrangement attached hereto, involving the above named body(ies), corporate is hereby effected
Le plan d'arrangement ci-joint portant sur la(les) personne(s) morale(s) susmentionnée(s) prend effet

Signature 	Printed Name - Nom en lettres mouillées Gordon O. Pollard	12 - Capacity of - En qualité de Director	13 - Tel. No. - N° de tél. (204) 4/4-2323
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MAY 14 2010

**PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 192 of the CBCA set forth in this Plan of Arrangement as amended, modified or supplemented, and not to any particular article, section or other portion hereof;
- (b) "Arrangement Agreement" means the agreement dated as of April 6, 2010, among New Pollard, the Fund, the Trust, Pollard LP and the General Partner with respect to the Arrangement and all amendments thereto;
- (c) "Articles of Arrangement" means the articles of arrangement in respect of the Arrangement required under Subsection 192(5) of the CBCA to be filed with the Director after the Final Order has been granted;
- (d) "CBCA" means the *Canada Business Corporations Act* R.S.C. 1985 c.C-44, as amended, including the regulations promulgated thereunder;
- (e) "Certificate" means the certificate issued by the Director pursuant to Subsection 192(7) of the CBCA giving effect to the Arrangement;
- (f) "Common Shares" means the common shares in the capital of New Pollard;
- (g) "Court" means the Ontario Superior Court of Justice;
- (h) "Director" means the director appointed under Section 260 of the CBCA;
- (i) "Effective Date" means the date the Arrangement is effective under the CBCA;
- (j) "Effective Time" means 8:00 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be specified in writing by New Pollard;
- (k) "Equities" means Pollard Equities Limited, a corporation continued under the CBCA;
- (l) "Exchangeable LP Units" means the Class B and Class C limited partnership units of Pollard LP;
- (m) "Final Order" means the final order of the Court approving the Arrangement pursuant to Subsection 192(4) of the CBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

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- (n) **"Fund"** means Pollard Banknote Income Fund, a trust established under the laws of the Province of Ontario;
- (o) **"Fund Declaration of Trust"** means the amended and restated declaration of trust of the Fund dated as of June 29, 2005, as amended and restated on August 5, 2005, governing the Fund, as the same may be amended, supplemented or restated from time to time;
- (p) **"Fund Units"** means the units of beneficial interest of the Fund designated as "fund units" under the Fund Declaration of Trust, but does not include the Special Voting Units;
- (q) **"Fund Unitholders"** means the holders of Fund Units from time to time;
- (r) **"General Partner"** means Pollard Banknote Limited, a corporation formed under the laws of Canada;
- (s) **"GP Common Shares"** means the common shares of the General Partner;
- (t) **"Interim Order"** means the interim order of the Court under Subsection 192(4) of the CBCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction with the consent of the parties hereto;
- (u) **"Meeting"** means the annual and special meeting of the Voting Unitholders to be held on May 6, 2010, and any adjournments or postponements thereof, to consider and vote on, among other things, the Arrangement Resolution and related matters;
- (v) **"New Pollard"** means 7510101 Canada Limited, a corporation incorporated under the CBCA;
- (w) **"Party"** means a party to the Arrangement Agreement;
- (x) **"PBLP Agreement"** means the amended and restated limited partnership agreement dated as of August 5, 2005 in respect of Pollard Banknote Limited Partnership, as the same may be amended, modified or supplemented from time to time;
- (y) **"Person"** means and includes individuals, corporations, partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities, and governments, agencies and political subdivisions thereof;
- (z) **"Pollard LP"** means Pollard Holdings Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba;

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- (aa) "Pollard LP Agreement" means the amended and restated limited partnership agreement dated as of August 5, 2005 in respect of Pollard LP, as the same may be amended, modified or supplemented from time to time;
 - (bb) "Special Voting Units" means the units of the Fund designated as "special voting units" under the Fund Declaration of Trust;
 - (cc) "Trust" means Pollard Banknote Trust, a trust established under the laws of the Province of Ontario;
 - (dd) "Trust Declaration of Trust" means the declaration of trust dated as of July 19, 2005, as amended and restated on August 5, 2005, governing the Trust, as the same may be amended, supplemented or restated from time to time;
 - (ee) "Voting Unitholders" means the holders of Voting Units from time to time; and
 - (ff) "Voting Units" means, collectively, the Fund Units and Special Voting Units.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant to the Arrangement Agreement. In the event of a conflict between the terms of the Arrangement Agreement and this Plan of Arrangement, the terms of this Plan of Arrangement shall prevail.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) New Pollard; (ii) holders of Fund Units and Equities; (iii) the Fund; (iv) the Trust; (v) Pollard LP and (vi) the General Partner.
- 2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence

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that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

- 2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any Party or Person until the Effective Time. Furthermore, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3 ARRANGEMENT

- 3.1 Commencing at the Effective Time, each of the events set out below in this Section 3.1 and in Sections 3.2, 3.3 and 3.4 shall occur and shall be deemed to occur in the following order, each occurring five minutes apart (unless otherwise noted), without any further act or formality except as otherwise provided herein:

Name Change of the General Partner

- (a) the name of the General Partner shall be changed to "Pollard Banknote GP Limited";

Name Change of New Pollard

- (b) the name of New Pollard shall be changed to "Pollard Banknote Limited";

Amendment of the Fund Declaration of Trust, Trust Declaration of Trust, the Pollard LP Agreement and the PBLP Agreement

- (c) the Fund Declaration of Trust, Trust Declaration of Trust, the Pollard LP Agreement and the PBLP Agreement shall be amended if and to the extent necessary to facilitate the Arrangement as provided therein;

Division of GP Common Shares

- (d) each issued and outstanding GP Common Share will be divided into 200.18859 GP Common Shares, with fractions rounded up or down, as the case may be, to the nearest whole number held by any one registered holder;

Exchange of Exchangeable LP Units, Special Voting Units and GP Common Shares

- (e) the Exchangeable LP Units, Special Voting Units and GP Common Shares held by Equities shall be transferred to New Pollard, free and clear of any claims, solely in consideration for Common Shares on the basis of one Common Share for each group of one Exchangeable LP Unit (together with the accompanying Special Voting Unit) and one GP Common Share so transferred;

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Exchange of Fund Units

- (f) the Fund Units held by Fund Unitholders shall be transferred to New Pollard, free and clear of any claims, solely in consideration for Common Shares on the basis of one Common Share for each Fund Unit so transferred;

Cancellation of the Initial Common Shares of New Pollard

- (g) the 100 common shares of New Pollard issued to the Fund in connection with the organization of New Pollard shall be purchased for cancellation by New Pollard in consideration for \$301; and

Stated Capital of New Pollard

- (h) there shall have been added to the stated capital account maintained for the Common Shares an amount determined by the directors in accordance with Section 26 of the CBCA in respect of the Common Shares issued under the Arrangement and the directors shall be authorized to subsequently reduce the stated capital of New Pollard in an amount determined by the directors without any payment;

- 3.2 The members of the board of directors of New Pollard shall be set at seven (7), in accordance with the Articles of Amendment of New Pollard, and each of the following persons shall be appointed to the board of directors of New Pollard to hold office until the next annual meeting of shareholders of New Pollard or until his successor is elected or appointed:

Del Crewson
Garry Leach
Gordon Pollard
Douglas Pollard

Jerry Gray
Lawrence Pollard
John Pollard

- 3.3 The registered office of New Pollard shall be changed to 1499 Buffalo Place, Winnipeg, Manitoba R3T 1L7.

- 3.4 Initially, the auditors of New Pollard shall be KPMG LLP.

- 3.5 Upon the exchange of Fund Units, Exchangeable LP Units (and Special Voting Units) and GP Common Shares for Common Shares, pursuant to Section 3.1:

- (i) each former holder of Fund Units shall cease to be the holder of the Fund Units so exchanged and the name of each such former holder of Fund Units shall be removed from the register of Fund Units and New Pollard shall become the sole holder of the Fund Units and shall be added to the register of Fund Units as the sole owner of the Fund Units;

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- (ii) Equities shall cease to be the holder of the Exchangeable LP Units (and Special Voting Units) so exchanged and Equities shall be removed from the record of limited partners of Pollard LP (and register of Special Voting Units), and New Pollard shall become the sole holder of the Exchangeable LP Units (and Special Voting Units) and shall be added to the record of limited partners of Pollard LP as the sole owner of the Exchangeable LP Units (and shall be added to the register of Special Voting Units as the sole owner of Special Voting Units);
- (iii) Equities shall cease to be a holder of GP Common Shares and Equities shall be removed from the register of GP Common Shares and New Pollard shall be added to the register of GP Common Shares; and
- (iv) each such holder of Fund Units and Equities shall become the holder of the Common Shares exchanged for Fund Units, Exchangeable LP Units (and Special Voting Units) and GP Common Shares, as applicable, by such holder and shall be added to the register of holders of Common Shares in respect thereof.

ARTICLE 4 OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

- 4.1 From and after the Effective Time, any certificates formerly representing Fund Units, Exchangeable LP Units (and Special Voting Units) and/or the GP Common Shares held by Equities, shall represent only the right to receive Common Shares in respect thereof as provided in this Plan of Arrangement.
- 4.2 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Fund Units, Exchangeable LP Units (and Special Voting Units) or GP Common Shares that were transferred pursuant to Section 3.1 hereof has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the former registered holder thereof in the register of Fund Units, record of limited partners of Pollard LP or the register of GP Common Shares, as applicable, shall, as a condition precedent to the receipt of any Common Shares to be issued to such Person, provide to New Pollard, the Fund, Pollard LP or the General Partner, as applicable, a bond, in form and substance satisfactory to New Pollard, or otherwise indemnify New Pollard, the Fund, Pollard LP or the General Partner, as applicable, to their satisfaction, in their sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.
- 4.3 No fractional Common Shares, and no certificates representing fractional Common Shares, shall be issued pursuant to the Plan of Arrangement.

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ARTICLE 5 AMENDMENTS

- 5.1 New Pollard, the Fund, the Trust, Pollard LP and the General Partner may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other parties to the Arrangement Agreement; and (iii) filed with the Court.
- 5.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by New Pollard, the Fund, the Trust, Pollard LP and the General Partner (or, following the Effective Time, by New Pollard) without the approval of the Court or the Voting Unitholders, provided that it concerns a matter which, in the reasonable opinion of New Pollard, the Fund, the Trust, Pollard LP and the General Partner (or, following the Effective Time, New Pollard) is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Fund Units or Equities.
- 5.3 Subject to Section 6.2, any amendment to this Plan of Arrangement may be proposed by New Pollard, the Fund, the Trust, Pollard LP and the General Partner at any time prior to or at the Meeting (provided that the other parties to the Arrangement Agreement shall have consented thereto) with or without any prior notice or communication to Voting Unitholders, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 5.4 Subject to Section 6.2, New Pollard, the Fund, the Trust, Pollard LP and the General Partner may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to the Voting Unitholders.

ARTICLE 6 GENERAL

- 6.1 Notwithstanding that the transactions and events set out herein shall occur and 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 shall 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 any of them in order to further document or evidence any of the transactions or events set out herein.
- 6.2 If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of

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the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

- 6.3 This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

Commercial List Court File No. 10-8653-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *MR.*JUSTICE *CAMERON*)
)
)THURSDAY, THE 13th DAY

OF MAY, 2010



**IN THE MATTER OF AN APPLICATION UNDER Section 192
of the CANADA BUSINESS CORPORATIONS ACT, R.S.C.
1985, c. C-44, 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
7510101 CANADA LIMITED, POLLARD BANKNOTE INCOME
FUND, POLLARD BANKNOTE TRUST, POLLARD HOLDING
LIMITED PARTNERSHIP and POLLARD BANKNOTE LIMITED**

Applicants

FINAL ORDER

THIS APPLICATION was heard this day at 330 University Avenue, 8th Floor, Toronto, Ontario in the presence of counsel for the Applicants, no one appearing for any other interested person or entity although served in accordance with the affidavits appended to the Application Record, as filed,

ON READING the Notice of Application, the evidence filed by the Applicants, upon hearing the submissions of counsel for the Applicants and upon being advised that the Applicants intend to rely upon this Order for the purposes of obtaining an exemption from the registration requirements under United States securities laws, as provided by section 3(a)(10) of the *United States Securities Act* of 1933, as amended, with respect to the securities to be issued pursuant to the Plan of Arrangement on the basis of the court's approval of the fairness of the terms and conditions as set forth in the Plan of Arrangement attached as Schedule "A" hereto,

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UPON BEING SATISFIED that: (i) the special meeting of the holders of "Fund Units" and "Special Voting Units" (as those terms are defined in the attached Plan of Arrangement and hereinafter collectively referred to as the "Voting Unitholders") was held on Thursday, May 6, 2010 and conducted in accordance with the terms of the Interim Order of the Honourable Madam Justice Hoy dated April 7, 2010 (the "Interim Order"); (ii) the Voting Unitholders have approved the Plan of Arrangement in accordance with the terms of the Interim Order; and (iii) the terms and conditions of the Plan of Arrangement are fair and reasonable to the Voting Unitholders,

1. **THIS COURT ORDERS** that the Plan of Arrangement, as attached as Schedule "A" hereto, be and is hereby approved by this Court.
2. **THIS COURT ORDERS** that the Applicants shall be entitled at any time to seek leave to vary this Order, to seek the advice and direction of this Court, or 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.:

MAY 13 2010

PER / PAR: 