



Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

SLEEP COUNTRY CANADA HOLDINGS INC.

Corporate name / Dénomination sociale

930992-6

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Virginie Ethier

Director / Directeur

2015-07-06

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

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- 1 Corporate name
Dénomination sociale
SLEEP COUNTRY CANADA HOLDINGS INC.
-
- 2 Corporation number
Numéro de la société
930992-6
-
- 3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

-
- 4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Thecla E. Sweeney

Thecla E. Sweeney
416-775-3829

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

SCHEDULE

The articles of the Corporation are amended as follows:

- (a) by decreasing the authorized capital of the Corporation by the deletion of the preference shares;
- (b) by increasing the authorized capital of the Corporation by the creation of an unlimited number of shares to be designated as Class A common shares;
- (c) by providing that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number Class A common shares and an unlimited number of common shares; and
- (d) by providing that the rights, privileges, restrictions and conditions attaching to the Class A common shares and common shares are as follows:

Defined Terms

Where used in these share provisions, the following terms shall have the following respective meanings:

- (a) "**Act**" means the *Canada Business Corporations Act*, as now enacted or as it may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein to specific provisions thereof shall be read as referring to such amended, re-enacted or replaced provisions);
- (b) "**IPO**" means an initial public offering of common shares of the Corporation; and
- (c) "**Redemption Amount**", in respect of a Class A common share, shall mean the price per common share offered by the Corporation in an IPO.

A. CLASS A COMMON SHARES

1. Dividends

1.1 Subject to the prior rights of the holders of any other shares ranking senior to the Class A common shares, the holders of the Class A common shares shall be entitled to receive Dividends and the Corporation shall pay Dividends thereon, as and when declared by the board of directors of the Corporation out of the moneys of the Corporation properly applicable to the payment of dividends in such amount and in such form as the board of directors may from time to time determine, and all dividends which the directors may declare on the Class A common shares shall be declared and paid in equal amounts per share on all Class A common shares at the time outstanding.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of any other shares ranking senior to the Class A common shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class A common shares shall rank equally with the holders of the common shares with respect to entitlement to receive the remaining property and assets of the Corporation ratably according to the number of shares of both classes held.

3. Redemption by the Corporation

3.1 Subject to the provisions of subsection 36(2) of the Act, in connection with the completion of an IPO, the Corporation may, upon giving notice as provided in Section 3.2, redeem at any time the whole or from time to time any part of the then outstanding Class A common shares on payment for each share to be redeemed of the Redemption Amount.

3.2 The Corporation shall deliver to each person who is a registered holder of Class A common shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A common shares. Such notice may be hand delivered or sent by email or facsimile transmission to each such shareholder at his address as it appears on the records of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof to be so redeemed.

3.3 On or after the date specified for redemption of Class A common shares pursuant to Section 3.1, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class A common shares to be redeemed their respective Redemption Amounts, on presentation and surrender of the certificates representing the Class A common shares called for redemption at the registered office of the Corporation, or any other place or places designated in the notice of redemption. If a part only of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Subject to the provisions of Section 3.4, on and after the date specified for redemption in any such notice the Class A common shares called for redemption shall cease to be entitled to Dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

3.4 The Corporation shall have the right, at any time after the delivery of notice of its intention to redeem any Class A common shares in accordance with Section 3.2, to deposit the aggregate Redemption Amounts for the shares so called for redemption or for such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in a specified bank in Canada, named in such notice of redemption, to be paid without interest to or to the order of the

respective holders of such Class A common shares called for redemption upon presentation and surrender to such bank of the certificates representing the same. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class A common shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amounts so deposited, against presentation and surrender of the said certificates held by them. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of one year from the date specified for redemption shall be deemed to have been forfeited to the Corporation and the shareholders to whom such redemption moneys were payable shall have no further right to payment of such moneys or any claim against the Corporation in respect thereof.

3.5 If part only of the Class A common shares is at any time to be redeemed, the shares to be so redeemed shall be selected pro rata (disregarding fractions) from among the holders of record thereof as at the date specified for redemption, or in such other manner as the board of directors of the Corporation in its sole discretion may by resolution determine.

4. No Redemption at the Option of the Holders of the Class A Common Shares

4.1 The holders of the Class A common shares shall not be entitled to redeem at any time all or part of the Class A common shares held by such holder.

5. Conversion Rights

5.1 If any issued and outstanding Class A common shares of the Corporation are not redeemed by the Corporation within 45 days of their issuance, such Class A common shares shall be converted automatically into common shares on a one-for-one basis.

5.2 Upon the occurrence of an automatic conversion as set out in Section 5.1 above, all of the then outstanding Class A common shares shall be converted automatically without any further action by the holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that all holders of Class A common shares being converted shall be given written notice of the occurrence of an event specified in Section 5.1 above, including the date such event occurred (the "Automatic Conversion Date"), and the Corporation shall not be obligated to issue certificates evidencing the common shares issuable upon such conversion unless certificates evidencing such Class A common shares being converted are either delivered to the Corporation or its transfer agent, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen, or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation for any loss incurred by it in connection therewith and, if the Corporation so elects, provides an appropriate indemnity bond. On the Automatic Conversion Date, all rights with respect to the Class A common shares so converted shall terminate, except for any of the rights of the holder thereof, upon surrender of the holder's certificate or certificates therefore, to receive certificates for the number of common shares into which such Class A common shares have been

converted. Upon the automatic conversion of the Class A common shares, the holders thereof shall surrender the certificates representing such shares at the registered office of the Corporation or of its transfer agent. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by the holder's attorney duly authorized in writing. Upon surrender of such certificates, the Corporation shall promptly issue and deliver to such holder, in such holder's name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of common shares into which the Class A common shares surrendered were converted on the Automatic Conversion Date. Such conversion shall be deemed to have been made upon the occurrence of any event described in Section 5.1 above and the person or persons entitled to receive the common shares issuable upon conversion shall be treated for all purposes as the record holder or holders of such common shares at such time.

5.3 The Corporation covenants that all common shares that shall be issued upon conversion of the Class A common shares shall be duly and validly issued and fully paid and non-assessable. The Corporation shall take all such action as may be necessary so that all such common shares may be so issued without any violation of any applicable law or regulation, or any requirement of any stock exchange upon which the common shares may be listed.

6. Voting Rights

6.1 The holders of the Class A common shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one vote for each common share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.

B. COMMON SHARES

1. Dividends

1.1 Subject to the prior rights of the holders of any other shares ranking senior to the common shares with respect to priority in the payment of dividends, the holders of common shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and all dividends which the directors may declare on the common shares shall be declared and paid in equal amounts per share on all common shares at the time outstanding.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of any other shares ranking senior to the common shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the common shares shall

rank equally with the holders of the Class A common shares with respect to entitlement to receive the remaining property and assets of the Corporation rateably according to the number of shares of both classes held.

3. Voting Rights

3.1 The holders of the common shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one vote for each common share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.