

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):
May 13, 2019

MILESTONE PHARMACEUTICALS INC.

(Exact name of registrant as specified in its charter)

Québec
(state or other jurisdiction of incorporation)

001-38899
(Commission File Number)

Not applicable
(I.R.S. Employer Identification No.)

**1111 Dr. Frederik-Philips
Boulevard, Suite 420
Montréal, Québec CA**
(Address of principal executive offices)

H4M 2X6
(Zip Code)

Registrant's telephone number, including area code: **(514) 336-0444**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Shares

Trading Symbol(s)
MIST

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. x

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Amendment to Articles of Incorporation

On May 13, 2019, Milestone Pharmaceuticals Inc. (the “**Company**”) filed an amendment to the Company’s articles of incorporation (the “**Amended Articles**”) with the Registraire des entreprises of the province of Québec, in connection with the closing of the Company’s initial public offering of shares of its common shares (the “**IPO**”). The Company’s board of directors and shareholders previously approved the Amended Articles on April 26, 2019 and April 29, 2019, respectively, to be effective upon the closing of its IPO.

The foregoing description of the Amended Articles is qualified in its entirety by reference to the full text of the Amended Articles, which is filed as Exhibit 3.1 hereto, and is incorporated herein by reference.

Amendment and Restatement of Bylaws

Effective as of May 13, 2019, the Company adopted amended and restated bylaws (the “**Restated Bylaws**”) in connection with the closing of the IPO. The Company’s board of directors and shareholders previously approved the Restated Bylaws on April 10, 2019 and April 29, 2019, respectively, to be effective upon to the closing of its IPO.

The foregoing description of the Restated Bylaws is qualified in its entirety by reference to the full text of the Restated Bylaws, which is filed as Exhibit 3.2 hereto, and is incorporated herein by reference.

Item 8.01. Other Events.

On May 13, 2019, the Company issued a press release announcing the closing of its initial public offering of 5,500,000 of its common shares, at an initial public offering price of \$15.00 per share. On May 14, 2019, the Company issued a press release announcing the full exercise of the underwriters’ option to purchase an additional 825,000 common shares at the public offering price of \$15.00 per share. On May 15, 2019, the Company consummated the closing of the sale of the additional shares. The gross proceeds to the Company from the exercise of the option were approximately \$12.4 million, bringing the total gross proceeds of the IPO to approximately \$94.9 million, before deducting underwriting discounts, commissions and estimated offering expenses payable by the Company.

A copy of the press releases are attached hereto as Exhibits 99.1 and 99.2 and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended Articles of Incorporation of the Company.
3.2	Amended and Restated Bylaws of the Company.
99.1	Press Release, dated May 13, 2019.
99.2	Press Release, dated May 14, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MILESTONE PHARMACEUTICALS INC.

By: /s/ Timothy Maness
Timothy Maness
Vice President, Finance
Principal Financial Officer

Dated: May 15, 2019

Articles of consolidation

Quebec Enterprise Number	
NEQ	1 1 6 1 6 3 4 8 8 7

Business Corporations Act, CQLR c. S-31.1

1.	Name of the Corporation	MILESTONE PHARMACEUTIQUES INC.
		Versions of name of the Corporation in another name other than French, if applicable MILESTONE PHARMACEUTICALS INC.
2.	Share capital	See attached Schedule 1.
3.	Restrictions on the transfer of instruments or shares, if applicable	None.
4.	Number of directors	Fixed number _____ or Minimum Number <u>3</u> Maximum Number <u>15</u>

Sign the form and return it along with the required payment. Do not fax

Reserved for Administration

<p>5. Restrictions on business activities, if applicable</p> <p>None</p> <p>6. Other provisions, if applicable</p> <p>See attached Schedule 2.</p> <p>7. Date and time to be assigned to the certificate, if applicable</p> <p>Date _____ Hour _____</p> <p>8. Signature</p> <p>_____</p> <p>Name of authorized director or officer</p> <p>_____</p> <p>Signature of authorized director or officer</p>

If insufficient space provided above, attach a schedule, indicate the section and number the pages, if necessary.

SCHEDULE 1

AUTHORIZED SHARE CAPITAL

The shares of the Corporation shall consist of an unlimited number of common shares (“**Common Shares**”) and an unlimited number of preferred shares (“**Preferred Shares**”) issuable in one or more series. The rights and restrictions attaching to each class of shares of the Corporation are as follows:

A. COMMON SHARES

1. Voting Rights

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only holders of another particular class or series shall have the right to vote. At each such meeting, each Common Share shall entitle the holder thereof to one (1) vote.

2. Dividends; Rights on Liquidation, Dissolution, or Winding-Up

The Common Shares shall be subject to and subordinate to the rights, privileges, restrictions and conditions attaching to the Preferred Shares and the shares of any other class ranking senior to the Common Shares, as to the right to receive dividends and to receive the remaining property and assets of the Corporation on the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs. For the avoidance of doubt, holders of Common Shares shall, subject always to the rights of the holders of Preferred Shares and the shares of any other class ranking senior to the Common Shares, be entitled to receive (i) such dividends as the Board of Directors of the Corporation shall determine, and (ii) in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the remaining property and assets of the Corporation.

B. PREFERRED SHARES

1. Directors' Authority to Issue in One or More Series

The directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series.

2. Terms of Each Series

Before the first shares of a particular series are issued, the board of directors of the Corporation shall fix the number of shares in such series and shall determine, subject to any limitations set out in the articles, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, any right to receive dividends (which may be cumulative, non-cumulative or partially cumulative and variable or fixed), the rate or rates, amount or method or methods of calculation of

preferential dividends and whether such rate or rates, amount or method or methods of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such preferential dividends shall accrue, the rights of redemption (if any) and the redemption price and other terms and conditions of redemption, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights and the conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto.

3. First Shares of Each Series

Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the enterprise registrar the articles of amendment containing a description of such series including the designations, rights and restrictions determined by the directors.

4. Ranking of Preferred Shares

No rights, privileges, restrictions or conditions attaching to a series of Preferred Shares shall confer upon a series a priority over any other series of Preferred Shares in respect of the payment of dividends or any distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of the Corporation.

The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends, the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

5. Priority

The Preferred Shares shall be entitled to priority over the Common Shares of the Corporation and over any other shares of any other class of the Corporation ranking junior to the Preferred Shares with respect to priority in the payment of dividends, the return of capital and the distribution of assets 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 among the shareholders for the purpose of winding up its affairs.

6. Other Preferences

The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares and over any other shares of the Corporation ranking junior to Preferred Shares as may be determined in the case of such series of Preferred Shares in accordance with paragraph 2.

7. Participation

If any cumulative dividends or declared non-cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Corporation in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full, provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

8. Voting Rights

Except as hereinafter referred to or as otherwise provided by law or in accordance with any voting rights which may from time to time be attached to any series of Preferred Shares, the holders of the Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

9. Conversion Right

The Preferred Shares of any series may be made convertible into or exchangeable for any other class of shares of the Corporation.

10. Variation of Rights

The provisions attaching to the Preferred Shares as a class may be amended or repealed at any time with such approval as may then be required by law to be given by the holders of the Preferred Shares as a class.

SCHEDULE 2

OTHER PROVISIONS

1. The annual meeting of the shareholders may be held at any place, in or outside of the Province of Québec, as may be determined by the directors.
2. In the event the corporation becomes a reporting issuer (as defined in the *Business Corporations Act* (Québec) (the "Act")) in any province or territory of Canada or has more than 50 shareholders, the directors may appoint from time to time one or more additional directors within the limits provided in the Act.

BY-LAW 2019-1

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

MILESTONE PHARMACEUTICALS INC.
MILESTONE PHARMACEUTIQUES INC.

(the "Corporation")

A. INTERPRETATION

1. Definitions

In these by-laws, unless the context indicates otherwise,

"Act" means the *Business Corporations Act*, CQLR, c. S-31.1. Any reference to that statute or any provisions thereof in the Corporation's by-laws is interpreted as a reference to any amended or substituted provisions thereof;

"affairs" means the relationships among the Corporation, its affiliates and the shareholders, directors and officers of the Corporation and its affiliates but does not include the business carried on by the Corporation or its affiliates;

"affiliates": means legal persons one of whom is a subsidiary of the other, or legal persons who are controlled by the same person;

"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.

"associates" means, in relation to a person:

- (a) the person's spouse, children and relatives, and the children and relatives of the person's spouse;
 - (b) a partner of the person;
 - (c) a succession or trust in which the person has a substantial interest similar to that of a beneficiary or in respect of which the person serves as liquidator, trustee or other administrator of the property of others, mandatary or depositary; or
 - (d) a legal person of whom the person owns securities making up more than 10% of a class of shares carrying voting rights at any shareholders meeting or the right to receive any declared dividend or a share of the remaining property of the legal person in the event of liquidation.
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“group”: means any legal person, any group of persons or any group of properties, including an organization, joint venture or trust;

“officer” means a person referred to in section 47 of these by-laws;

“public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com

“resolution” or “ordinary resolution” means a resolution that requires a majority of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

“reporting issuer” means a reporting issuer within the meaning of the *Securities Act* (CQLR, chapter V-1.1);

“security” means a share, debenture, bond or note that is dealt in or traded on a securities exchange or financial market;

“shareholder” means a shareholder who is registered in the securities register of the Corporation, and includes a shareholder’s representative;

“special resolution” means a resolution that requires at least two thirds of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

2. **Interpretation**

- (a) the powers of the directors, shareholders and officers of the Corporation are subject to the Act and by-laws of the Corporation and any reference to the exercise of any of these powers in the by-laws of the Corporation is subject to the limits, restrictions or conditions that are expressed therein;
 - (b) the masculine gender includes both sexes, unless the contrary intention is evident by the context;
 - (c) the singular number extends to more than one person or more than one thing of the same sort, whenever the context admits of such extension. The plural number can apply to one person only or to one thing only if the context so permits; and
 - (d) the headings used in these by-laws are for ease of reference only and do not form part of them.
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B. HEAD OFFICE, ESTABLISHMENT AND SEAL

3. Head office

The head office of the Corporation shall be established in the judicial district of Montréal, in the Province of Québec. The Corporation may relocate its head office in compliance with the Act.

4. Establishment

In addition to its head office, the Corporation may have other establishments, offices or agencies both within and outside Québec.

5. Seal

The Board of Directors may adopt a seal but is not required to. The fact that a document of the Corporation is not sealed does not invalidate the document.

C. CORPORATE RECORDS

6. Records

The Corporation maintains, at its head office or at any other place designated by the Board of Directors, records containing:

- (a) the articles and the by-laws;
- (b) minutes of meetings of the shareholders and written resolutions of shareholders;
- (c) the names and domicile of the directors, and the dates of the beginning and end of their term of office; and
- (d) the securities register.

The secretary keeps such records up-to-date.

The shareholders may examine these records during its regular office hours, and obtain extracts from them. They may also, on request and without charge, obtain a copy of the articles and by-laws.

7. Accounting and Board records

The Corporation also maintains accounting records and books containing the minutes of meetings and written resolutions of the Board of Directors. The Corporation also maintains books for all the committees of the Board of Directors. These records and books are kept at the Corporation's head office or at any other place designated by the Board of Directors.

The Corporation is required to retain all accounting records for a period of six years after the end of the fiscal year to which they relate.

Only the directors and the auditor may have access to the accounting records and books containing the minutes of the meetings as well as the written resolutions of the Board of Directors and of its committees. However, the shareholders may examine, during the

Corporation's regular office hours, any part of the minutes of the deliberations of the Board of Directors or any other document in which a director or officer makes the disclosure of interest referred to in sections 23 and 53 below.

8. **Securities register**

The securities register of the Corporation contains the following information with respect to its shares:

- (a) the names, in alphabetical order, and the addresses of present and past shareholders;
- (b) the number of shares held by each such shareholder;
- (c) the date and details of the issue and transfer of each share; and
- (d) any amount due on any share.

The register must contain, if applicable, the same information with respect to the Corporation's debentures, bonds and notes, with the necessary modifications. Any person may examine the Corporation's securities register if that person complies with the provisions of the Act in this regard. Any person may, on request and on payment of a reasonable fee established by the Corporation, obtain a copy of the list of the Corporation's shareholders as provided for in the Act.

9. **Transfer Agents and Registrars**

The Board of Directors may at any time, by resolution, appoint and replace the Corporation's transfer agent(s) and registrar(s) for the Corporation's shares and, subject to the laws that govern the Corporation, generally enact by-laws from time to time for the transfer and transmission of the Corporation's shares. All shares certificates representing shares of the Corporation issued after such an appointment must be countersigned by an authorized representative of those transfer agent(s) or registrar(s) and are only valid once so countersigned.

D. **BOARD OF DIRECTORS**

10. **Functions and powers**

The Board of Directors exercises all necessary powers to supervise the management of the business and affairs of the Corporation. Except to the extent provided by law, such powers may be exercised without shareholder approval.

Generally, the Board of Directors exercises the powers and takes the actions which the Corporation is authorized to take; it may also enter into any contract on behalf of the Corporation. The Board of Directors may, on behalf of the Corporation:

- (a) borrow money;
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- (b) issue, reissue, sell or hypothecate its debt obligations;
- (c) enter into a suretyship to secure performance of an obligation of any person; and
- (d) hypothecate all or any of its property, owned or subsequently acquired, to secure any obligation.

11. **Delegation of powers**

The Board of Directors may create one of several committees composed of directors and may delegate certain powers to this or these committees. It can also delegate its powers to a director or an officer. However, the Board of Directors may not delegate its power:

- (a) to submit to the shareholders any question or matter requiring their approval;
 - (b) to fill a vacancy among the directors or in the office of auditor;
 - (c) to appoint or dismiss the president of the Corporation, the Chair of the Board of Directors, the chief executive officer, the chief operating officer or the chief financial officer regardless of their title, and to determine their remuneration;
 - (d) to authorize the issue of shares;
 - (e) to approve the transfer of unpaid shares;
 - (f) to declare dividends;
 - (g) to acquire, including by purchase, redemption or exchange, shares issued by the Corporation;
 - (h) to split, consolidate or convert shares;
 - (i) to authorize the payment of a commission to a person who purchases shares or other securities of the Corporation, or procures or agrees to procure purchasers for those shares or securities;
 - (j) to approve the financial statements presented at the annual meetings of shareholders;
 - (k) to adopt, amend or repeal by-laws;
 - (l) to authorize calls for payment;
 - (m) to authorize the confiscation of shares;
 - (n) to approve articles of amendment allowing a class of unissued shares to be divided into series, and to determine the designation of and the rights and restrictions attaching to those shares or securities; or
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(o) to approve a short-form amalgamation.

12. **Contracts**

All contracts, deeds, agreements, documents, bonds, debentures and other instruments requiring execution by the Corporation may be signed by any director or officer of the Corporation or by such persons as the Board of Directors may otherwise authorize from time to time by resolution. Any such authorization may be general or confined to specific instances.

13. **Proceedings**

Any director or officer of the Corporation, or any other person appointed for that purpose by any director or officer of the Corporation, is authorized to bring any action, proceeding, motion, civil, criminal, administrative or other legal procedure, in the name of the Corporation or to appear and to answer on behalf of the Corporation to any writ, to any order or injunction issued by any court, to any examination on the facts relating to any litigation or any examination on discovery, as well as to any action, proceeding, motion or other legal procedure in which the Corporation is involved; to respond in the name of the Corporation to any garnishment in which the Corporation is garnishee and to prepare any affidavit or any solemn declaration related to such a garnishment or to any other legal procedure to which the Corporation is a party; to make any application for the assignment of property or any petitions for a receiving order against any debtor of the Corporation; to attend and to vote in any meeting of the creditors of debtors of the Corporation; to grant proxies and, in respect of any such action, proceeding, motion or other legal procedure, to take any other action which he or she deems to be in the best interests of the Corporation.

14. **Number**

The exact number of directors is determined by the Board of Directors as provided in the articles of the Corporation.

The directors in office do not cease to hold their position as a result of an amendment of the articles which reduces their number.

15. **Qualifications**

Any natural person may be a director of the Corporation, except:

- (a) a minor;
 - (b) a person of full age under tutorship or curatorship;
 - (c) a bankrupt;
 - (d) a person prohibited by the court from holding such office;
 - (e) a person declared incapable by decision of a court of another jurisdiction.
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Unless otherwise provided in the articles, a director is not required to be a shareholder.

16. **Election and term of office**

The directors are elected each year at the annual shareholders meeting by a simple majority of the votes and remain in office until the next annual shareholders meeting or until their successors are appointed. Voting for the election of directors is conducted by a show of hands unless a ballot is demanded by a shareholder entitled to vote.

In conformity with the Articles of the Corporation, the Board of Directors may, at its discretion, appoint one (1) or more directors, who shall hold office for a term expiring no later than the close of the annual meeting of shareholders following their appointment, but the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the annual meeting of shareholders preceding their appointment.

17. **Cessation of office**

A director ceases to hold office when he dies, becomes disqualified from being a director, resigns or is removed from office.

18. **Resignation**

A director may resign at any time. The resignation of a director becomes effective at the time the director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later. The reason for the resignation need not be given.

19. **Removal**

The shareholders may by ordinary resolution at a special meeting remove any director or directors. If certain shareholders have an exclusive right to elect one or more directors, a director so elected may only be removed by ordinary resolution of those shareholders.

A director whose removal is to be proposed at a shareholders meeting may attend the meeting and be heard or, if not in attendance, may explain, in a written statement read by the person presiding over the meeting or made available to the shareholders before or at the meeting, why he opposes the resolution proposing his removal.

A vacancy created by the removal of a director may be filled at the shareholders meeting at which the director is removed or, if it is not, at a subsequent meeting of the Board of Directors.

20. **Vacancy**

A quorum of directors may fill any vacancy on the board unless there has been a failure to elect the fixed number or minimum number of directors required by the articles.

However, the directors then in office must without delay call a special shareholders meeting to fill the vacancies resulting from the lack of quorum or the failure to elect the fixed or minimal number of directors set out in the articles. If the directors refuse or fail to call a meeting, the meeting may be called by any shareholder.

A director appointed or elected to fill a vacancy holds office for the unexpired term of his predecessor.

21. **Retiring director and updating declaration**

A director who leaves office is authorized to sign on behalf of the Corporation and file in accordance with the *Act respecting the legal publicity of enterprises* (CQLR, chapter P- 44.1) an updating declaration indicating such change, unless he has received, within thirty (30) days of the date on which such change took effect, proof that the Corporation has filed such declaration.

22. **Duties of directors**

Subject to the provisions of the Act, the directors are bound by the same obligations as are imposed by the *Civil Code of Québec* on any director of a legal person. Consequently, in the exercise of their functions, the directors are duty-bound toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

More specifically, but without limiting the generality of the foregoing:

- (a) no director may mingle the property of the Corporation with his own property nor may he use for his own profit or that of a third person any property of the Corporation or any information he obtains by reason of his duties, unless he is authorized to do so by the shareholders of the Corporation;
- (b) unless he has obtained the express consent of the Board of Directors, a director must keep confidential the deliberations of the Board of Directors, any internal document and any other information to which he has access in the performance of his duties which is not publicly known and which has not been publicly disclosed by the Corporation;
- (c) a director must avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a director of the Corporation;
- (d) a director must declare to the legal person any interest he has in an enterprise or association that may place him in a situation of conflict of interest and of any right he may set up against it, indicating their nature and value, where applicable.

23. **Contracts or transactions — disclosure of interest**

A director must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. “Interest” means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-

making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

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

- (a) an associate of the director;
- (b) a group of which the director is a director;
- (c) a group in which the director or an associate of the director has an interest.

The director satisfies the requirement if he discloses, in a case specified in subparagraph (b), the directorship or office held within the group or, in a case specified in subparagraph (c), the nature and value of the interest he or his associate has in the group.

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

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

24. **Contracts or transactions — voting**

No director may vote on a resolution to approve, amend or terminate the contract or transaction described in the foregoing section, or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction:

- (a) relates primarily to the remuneration of the director or an associate of the director as a director of the Corporation or an affiliate of the Corporation;
- (b) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatary of the Corporation or an affiliate of the Corporation, if the Corporation is not a reporting issuer;
- (c) is for the indemnification of the directors in certain circumstances or liability insurance taken out by the Corporation;
- (d) is with an affiliate of the Corporation, and the sole interest of the director is as a director or officer of the affiliate.

If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present during deliberations, the other directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

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

25. **Remuneration**

The Board of Directors determines the remuneration of the directors from time to time, by resolution. The directors are also entitled to be reimbursed for travel costs and reasonable expenses incurred in the performance of their duties.

E. **NOMINATIONS OF DIRECTORS**

26. **Nomination procedures**

Subject only to the Act and the Articles of the Corporation, 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 of Directors 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 is the election of directors. Such nominations may be made in the following manner:

- (a) by or at the direction of the Board of Directors, 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**"): (A) who, at the close of business on the date of the giving of the notice provided for below 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 (B) who complies with the notice procedures set forth below.

27. **Timely 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 Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

28. **Manner of timely notice**

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders (including an annual and special), not less than 30 nor more than 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 to be held on a date that is less than 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.

29. **Proper form of timely notice**

To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) 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; and (D) 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 below); and
- (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and 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.

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.

30. **Eligibility for nomination as a director**

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the by-laws; provided, however, that nothing in the by-laws 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 Chairman 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.

31. **Delivery of notice**

Notwithstanding any other provision of the by-laws, notice given to the Corporate Secretary of the Corporation pursuant to this section E may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate 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 aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate 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 a not a business day or later than 5:00 p.m. (Eastern 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.

32. **Board Discretion**

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this section E.

F. **MEETINGS OF THE BOARD OF DIRECTORS**

33. **Place**

The Board of Directors meets at the head office of the Corporation or at any other place within or outside Québec which the Chair of the Board of Directors may choose.

34. **Calling of meeting**

The Board of Directors meets as often as the Chair of the Board considers necessary. Board meetings are called by the Chair of the Board, or by the Vice-Chair of the Board if any is appointed among the directors, or by the secretary at the request of the Chair of the Board or by the Vice-Chair of the Board or in the absence or in case of incapacity to act as Chair of the Board or the Vice-Chair of the Board, at the request of two (2) directors. At least two (2) days' notice must be given.

In the event that the Chair of the Board or the Vice-Chair of the Board (or the secretary, at the request of the Chair of the Board or the Vice-Chair of the Board or in the absence or in case of incapacity to act as Chair of the Board or the Vice-Chair of the Board, of two directors) considers, at his discretion, that it is deemed urgent to call a meeting of the Board of Directors, he must see that the notice of the meeting be sent out using any possible means at least two (2) hours before the meeting and such notice shall be deemed sufficient for the meeting to be called.

The notice must state the time and place of the meeting and, where applicable, specify any matter referred to in section 11 of these by-laws.

A notice of meeting must be sent to each director, at his last known civic or electronic address, by any means providing proof of its sending.

A meeting may be held without notice if all the directors are present or if the absent directors agreed to the holding of such meeting. The meeting of the Board of Directors immediately following the annual shareholders meeting may take place without notice.

35. **Waiver of notice**

A director may, in writing, waive notice of a meeting; waiver of the notice may be validly given before or after the meeting. However, attendance of a director at a meeting of the board is a waiver of notice of the meeting unless the director attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called.

36. **Participation by any means of communication**

A director may participate in a meeting of the board by means of equipment - telephone, electronic or other - enabling all participants to communicate directly with one another. In such a case, the director is deemed to be present at the meeting.

37. **Attendance**

Only the directors may attend board meetings. Other persons may also attend as needed, with the authorization of the Chair of the Board or the majority of the directors present.

38. **Quorum**

A majority of the directors in office constitutes a quorum. A quorum of directors may validly exercise all the powers of the directors, despite any vacancy on the board.

39. **Chair and secretary of the meeting**

Meetings of the Board of Directors are chaired by the Chair of the Board or, by default, by the vice-chair of the board or by default by a director assigned by the other participating directors. The secretary acts as meeting secretary, drafts the minutes of the meeting and co-signs the minutes with the Chair of the meeting.

40. **Procedure**

The Chair of the Board directs the meeting and ensures that it is conducted in an orderly manner. He submits the business to be discussed to the board. A director may also submit business to be discussed.

41. **Voting**

Unless otherwise provided in the articles, the Board of Directors decides any issue by a majority of the votes. Each director is entitled to one vote. Voting by proxy is not permitted.

Voting is by a show of hands or, at the request of the Chair of the Board or a director, by secret ballot. A vote by secret ballot may be requested before or after a vote by a show of hands.

If voting is by secret ballot, the secretary acts as scrutineer and counts the ballots. The Chair of the Board does not have a tie-breaking vote in the case of a tie.

42. **Dissent**

A director who is present at a meeting of the board or a committee of the board is deemed to have consented to any resolution passed at the meeting unless:

- (a) the director's dissent has been entered in the minutes;
- (b) the director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
- (c) the director delivers a written dissent to the Chair of the Board, sends it to the Chair of the Board by any means providing proof of the date of receipt or delivers it to the head office of the Corporation immediately after the meeting is adjourned.

A director is not entitled to dissent after voting for or consenting to a resolution.

43. **Dissent of an absent director**

A director who was not present at a meeting of the board or a committee of the board at which a resolution was passed is deemed to have consented to the resolution unless the director records his dissent within seven (7) days after becoming aware of the resolution, by written notice delivered to the Chair of the Board, or sent to the Chair of the Board by any means providing proof of the date of receipt or delivered to the head office of the Corporation.

44. **Adjournment**

The Chair of the Board or failing him, the Vice-Chair of the Board may, with the consent of the majority of the directors present, adjourn a meeting of the Board of Directors to a specified date, time and place without a new notice of meeting being required. The Chair

of the Board or failing him, the Vice-Chair of the Board may also adjourn a meeting *ex officio* if he considers it impossible to conduct it in an orderly manner.

The meeting is validly resumed if it is held on the specified date and at the specified place and if a quorum is present. If a quorum does not exist when the meeting resumes, the initial meeting is deemed to have ended immediately after it was adjourned.

45. **Signed resolution**

A resolution in writing, signed by all the directors entitled to vote on the resolution, has the same force as if it had been passed at a meeting of the board or, as the case may be, of a committee of the Board of Directors. These resolutions are kept with the minutes of meetings and the written resolutions of the Board of Directors.

The written resolutions that are signed electronically are as legally valid as a written signature.

46. **Recording of deliberations**

Only the secretary may record the deliberations of the Board of Directors, for the purpose of preparing the minutes. The secretary must destroy the recording once the concerned minutes have been approved.

G. **OFFICERS**

47. **General**

The officers of the Corporation are the Chair of the Board, the vice-chair of the board (if applicable), the president and chief executive officer, the chief financial officer, the vice- presidents, the secretary, the treasurer and/or the assistant-secretary(ies). The Board of Directors may designate another person as an officer by resolution.

48. **Qualifications**

The officers need not be directors or shareholders of the Corporation except for the Chair of the Board of Directors who must be a director. The same person may hold more than one position as officer.

49. **Term of office**

Unless the Board of Directors provides otherwise when he is appointed, an officer holds office from his appointment until the first meeting of the Board of Directors following the annual meeting or until a replacement has been named.

50. **Cessation of office**

An officer may resign at any time. The resignation of an officer takes effect on the date the Corporation receives the written notice he gives or on the later date indicated therein.

The Board of Directors or the president and chief executive officer may remove an officer at any time and the reason for the removal is not required to be given. However, the removal of the president, the Chair of the Board, the chief executive officer, the chief operating officer, or the chief financial officer regardless of their title, as their appointment, is the responsibility of the Board of Directors.

51. **Vacancy**

The Board of Directors may fill any vacancy in an office at any time.

52. **Powers of officers**

An officer exercises the powers attached to his position. He also exercises all the powers which the Board of Directors can delegate to him. In the event an officer is unable to act, the powers of such officer are exercised by any other person designated by the Board of Directors.

53. **Duties of officers**

The officers are mandataries of the Corporation. In this capacity, in the exercise of their functions, the officers are bound, among other things, toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

An officer must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. An officer must disclose any contract or transaction to which the Corporation and any of the following are a party:

- (a) an associate of the director or officer;
- (b) a group of which the director or officer is a director or officer;
- (c) a group in which the director or officer or an associate of the director or officer has an interest.

The officer satisfies the requirement if he discloses, in a case specified in subparagraph (b), the directorship or office held within the group or, in a case specified in subparagraph (c), the nature and value of the interest he or his associate has in the group.

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

- (d) the officer becomes an officer;
 - (e) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the board; or
 - (f) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.
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The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

54. **Chair or Vice-Chair of the Board**

The Chair of the Board or if necessary, the Vice-Chair of the Board, shall be chosen from among the directors. The Chair of the Board or failing him, the Vice-Chair of the Board presides over all the meetings of the directors and all shareholders meetings at which he is present and as such has all the powers and fulfils all his responsibilities that the Board of Directors may determine from time to time.

55. **President**

The president and chief executive officer controls and supervises the management of the activities and affairs of the Corporation. He signs the documents which require his signature. He also has the powers and fulfills all the responsibilities that the Board of Directors determines from time to time.

56. **Vice-president**

The vice-president (or vice presidents), exercises the powers and assumes the obligations that the Board of Directors determines from time to time. In the event of an absence, inability, refusal or omission to act as the president, the vice-president assigned by the directors can exercise his powers and fulfill all his responsibilities.

57. **Secretary**

The secretary is responsible for safekeeping the records and documents of the Corporation. He acts as secretary of the meetings of the Board of Directors and committees of the board as well as the meetings of shareholders. He signs the share certificates and other documents that require his signature and sends the directors and shareholders notice of meetings and other notices which may be required. He has all the powers and fulfills all the functions that the Board of Directors determines from time to time.

The assistant secretary fulfills all responsibilities assigned to him from time to time by the secretary.

58. **Chief Financial Officer and/or Treasurer**

He is in charge of the financial management of the Corporation. He oversees the financial situation of the Corporation and sees to the management of its property and the keeping of its accounting records. He reports periodically to the audit committee and to the Board of Directors on the financial situation of the Corporation. He signs the documents which require his signature.

59. **Remuneration**

The Board of Directors determines, from time to time, the remuneration of the president and chief executive officer, the Chair of the Board, the chief operating officer and of the chief financial officer, regardless of their title. The remuneration of the other officers is determined by management, subject to the powers devolved to the committee acting as the remuneration committees.

The officers are also entitled to be reimbursed the travel costs and all reasonable fees and expenses incurred in the performance of their duties.

H. **COMMITTEES OF THE BOARD OF DIRECTORS**

60. **Creation**

The Board of Directors may, by resolution, create one or more committees made up of directors. The resolution creating the committee sets out the number of directors making it up.

61. **Powers**

A committee of the Board of Directors exercises the powers delegated to it by the Board of Directors. However, the Board of Directors may not delegate the powers which it must exercise exclusively, according to the Act or section 11 of these by-laws.

A committee reports on its activities to the Board of Directors. Subject to the rights of third parties, the Board of Directors may overrule or modify a committee's decisions.

62. **Cessation of office**

A director may resign from a committee of the Board of Directors at any time. The resignation of a director becomes effective at the time the director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later. The reason for the resignation is not required to be given.

The Board of Directors may, by resolution, replace a member of a committee of the board.

63. **Vacancy**

The Board of Directors may fill any vacancy on a committee of the board.

64. **Meetings**

Meetings of a committee of the board are called in the same manner as meetings of the Board of Directors.

65. **Quorum**

Unless otherwise provided in a resolution of the Board of Directors, the majority of the members of a committee of the board in office constitute a quorum.

66. **Chair and secretary**

Meetings of a committee of the board are chaired by the Chair of the committee; in his absence, the members present choose a meeting Chair from among themselves. The secretary of the Corporation acts as secretary of any committee of the board. The members present at a meeting can, if necessary, choose another person as meeting Chair or secretary.

67. **Procedure**

Meetings of committees of the Board of Directors are held in the same manner as the meetings of the Board of Directors.

68. **Written resolution**

A written resolution, signed by all the members of the committee entitled to vote on this resolution has the same force as if it had been passed at a meeting of the committee. The resolutions are kept with the minutes of the meetings and the written resolutions of the Board of Directors.

The written resolutions that are signed electronically are as legally valid as a written signature.

69. **Remuneration**

The members of a committee of the board may, as such, receive the remuneration set by resolution of the Board of Directors.

I. **PROTECTION OF DIRECTORS AND OFFICERS**

70. **Presumption**

A director is presumed to have fulfilled the obligation to act with prudence and diligence if the director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by one of the following persons:

- (a) an officer of the Corporation who the director believes to be reliable and competent in the functions performed;
 - (b) legal counsel, professional accountants or other persons retained by the Corporation as to matters involving skills or expertise the director believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence;
or
 - (c) a committee of the Board of Directors of which the director is not a member if the director believes the committee merits confidence.
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71. **Relief Provided by the Act**

A director cannot be held liable under sections 154, 155, 156, 287 or 392 of the Act if the director acted with a reasonable degree of prudence and diligence in the circumstances. Furthermore, for the purposes of sections 155, 156, 287 and 392 of the Act, the court may, after considering all the circumstances and on the terms the court considers appropriate, relieve a director, either wholly or partly, from the liability the director would otherwise incur if it appears to the court that the director has acted reasonably, honestly and loyally, and ought fairly to be excused.

J. **INDEMNIFICATION AND LIABILITY INSURANCE**

72. **Indemnification**

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

- (a) the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his conduct was lawful.

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

However, in the event that a court or any other competent authority judges that the conditions set out in subparagraphs (a) and (b) above are not fulfilled, or that the person has a committed intentional or gross fault, the Corporation may not indemnify the person and the person must repay to the Corporation any monies advanced.

The indemnity provided for in the preceding paragraphs can be obtained even if a person has ceased being a director, officer or representative of the Corporation. In case of death, the indemnity can be paid to the heirs, legatees, liquidators, assignees, authorized representants or beneficiaries of this person.

73. **Actions by or on behalf of the Corporation**

The Corporation may, with the approval of the court, in respect of an action by or on behalf of the Corporation or other group referred to in the preceding section against a person referred to in the preceding section, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out in the preceding section.

74. **Liability insurance**

The Corporation must purchase and maintain insurance for the benefit of its directors, officers and other mandataries against any liability they may incur as such or in their capacity as directors, officers or mandataries of another group, if they act or acted in that capacity at the Corporation's request.

K. **SHAREHOLDERS MEETINGS**

75. **General**

The Corporation must hold an annual meeting of shareholders; it may hold one or more special meetings of shareholders as needed.

76. **Annual meeting**

An annual meeting must be held fifteen (15) months after the last preceding annual meeting. The following business is discussed at the annual meeting:

- (a) the presentation and examination of the financial statements of the Corporation for the fiscal year ended within six months of the date of the meeting;
- (b) the presentation and examination of any other financial information required by the articles or the by-laws to be presented to the shareholders;
- (c) the presentation and examination of the auditor's report, where applicable;
- (d) the renewal of the auditor's term, where applicable;
- (e) the election of directors.

The annual meeting may also examine and discuss any other business.

The Board of Directors calls the annual shareholders meeting. Otherwise, the meeting may be called by the shareholders in accordance with the rules for calling special meetings at the request of the shareholders as provided in the Act.

77. **Place**

A meeting is held within the province of Québec at the place determined by the Board of Directors.

78. **Calling of meeting**

Notice of a shareholders meeting must be sent to each shareholder entitled to vote at the meeting and to each director at least twenty-one (21) days, but at the most sixty (60) days before the meeting.

If a director or a shareholder entitled to vote at a shareholders meeting gives written notice not less than ten (10) days before the meeting to the auditor or a former auditor of the Corporation, the auditor or former auditor attends the meeting at the Corporation's expense and answers any question relating to their duties as auditor.

79. **Notice of meeting**

Subject to the *Securities Act* and the applicable securities regulations, the notice of a shareholders meeting must be sent to each shareholder able to vote and to each director, in writing, by any means providing proof of the date of sending. It is sent to such persons at the address indicated in the Corporation's records. If a person's address is not indicated in the Corporation's records, the notice of meeting must be sent to the address where, in the opinion of the person sending such notice, it is the most likely to reach the person the quickest.

The notice of meeting is sent to the shareholders entered in the securities register at the record date.

A certificate from the secretary or any other duly authorized officer of the Corporation in office at the time of the preparation of such certificate, or any officer, transfer agent, or share transfer registrar of the Corporation constitutes proof of the sending of the notice of meeting and ties in each shareholder.

The notice of meeting indicates the date, time and place of the meeting as well as the business on the agenda. It also states, where applicable, the date by which the proxies of the shareholders wishing to be represented at the meeting must be received by the Corporation; such date may not be more than forty-eight (48) hours, excluding Saturdays and holidays, before the date of the meeting or any adjournment thereof.

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

Irregularities in the notice of meeting or in its sending do not affect the validity of the meeting. Similarly, the unintentional failure to send a notice of meeting to a person entitled to it, or the failure to receive it by a person entitled to the notice, does not invalidate the resolutions passed at the meeting. In addition, the unintentional failure to include a matter to be discussed at the meeting in the notice does not prevent the meeting from discussing such business, unless the interests of a shareholder or director are or could be affected thereby.

80. **Record Date**

The Board of Directors may fix, in conformity with the applicable requirements of the securities regulations, before any annual shareholders meeting or special shareholders meeting, the record date for the determination of the shareholders entitled to receive notice of any such meeting.

81. **Waiver**

A shareholder or director may, in writing, waive notice of a shareholders meeting; waiver of the notice may be validly given before or after the meeting. Their attendance at the meeting is a waiver of notice of the meeting unless they attend the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

82. **Holding of or participation in meeting by electronic means**

A shareholders meeting may be held solely by means of equipment enabling all participants to communicate directly with one another.

Furthermore, any person entitled to attend a shareholders meeting may participate in the meeting by means of any equipment enabling all participants to communicate directly with one another. A person participating in a meeting by such means is deemed to be present at the meeting.

Any shareholder participating in a shareholders meeting by means of equipment enabling all participants to communicate directly with one another may vote by any means enabling votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a secret ballot has been requested.

83. **Quorum**

Two persons representing at least twenty-five per cent (25%) of votes cast by holders of outstanding voting shares of the Corporation, present in person or represented by proxy at the meeting, constitute the quorum for any annual meeting and any special meeting of shareholders of the Corporation.

The actions taken by holders of the majority of shares so represented, which entitle their holders to vote, are considered as actions taken by all shareholders, unless the vote or consent of holders of a greater number of shares is required or prescribed by the applicable legislation, the articles or the by-laws of the Corporation.

In the absence of the quorum at a shareholders meeting, shareholders present in person who can be accounted for to constitute the quorum have the power to adjourn the meeting at any time and in any place, with no further notice other than mentioning it at the meeting, until the quorum is obtained. Any matter that could have been brought before the adjourned meeting may then be brought before any adjournment thereof provided the quorum is duly constituted.

84. **Meeting Chair and secretary**

The Chair of the Board of the Corporation or, in his absence, the Vice-Chair of the Board, if any, or in his absence, the president and chief executive officer of the Corporation or any other person that may be named by the Board of Directors from time to time chairs a shareholders' meeting. The secretary of the Corporation acts as meeting secretary.

If the person who is to chair the meeting is not present at the meeting within 15 minutes after the time appointed for the meeting, the shareholders present choose one of their own to chair of the Board the meeting.

85. **Procedure**

The Chair of the meeting directs the meeting and ensures its orderly conduct. His decisions, including those relating to the validity of proxies, are final and binding on all the shareholders.

The Chair of a shareholders' meeting must allow shareholders to raise and discuss, for a reasonable period of time, any matter the primary purpose of which relates to the business or affairs of the Corporation and which is not to enforce a personal claim or redress a personal grievance against the Corporation or its directors, officers or shareholders.

At a shareholders meeting, unless a vote is demanded, a declaration by the Chair of the meeting that a resolution of the shareholders has been carried and that an entry to that effect has been made in the minutes of the meeting is, in the absence of any evidence to the contrary, proof of that fact, without it being necessary to prove the number or proportion of the votes recorded for and against the resolution.

86. **Voting**

Unless otherwise provided in the articles, each share of the Corporation entitles the holder to one vote.

87. **Majority decision**

Unless otherwise provided in the law, the articles or the by-laws, a decision of the shareholders is adopted by ordinary resolution.

88. **Tie-breaking vote**

In the case of a tie, the Chair of the meeting has a tie-breaking vote.

89. **Voting**

Voting is conducted by a show of hands, open voice or secret ballot.

90. **Voting by a show of hands**

Except for the voting for the election of directors, which shall be cast by secret ballot, voting is conducted by a show of hands unless an open voice vote or a ballot is demanded. In such a case, the shareholders or proxies vote by raising their hand and the number of votes is calculated according to the number of hands raised.

A proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

91. **Open voice voting**

The Chair of the meeting, a shareholder or a proxyholder may demand an open voice vote unless a ballot has been demanded. In such a case, each shareholder or proxyholder verbally states his name, that of the shareholder or shareholders whose proxy he holds, the number of votes he holds and the breakdown of such votes.

92. **Voting by secret ballot**

Except for the voting for the election of directors, which shall be cast by secret ballot, voting is conducted by secret ballot if the Chair of the meeting, a shareholder or a proxyholder so requests, in the manner indicated by the Chair of the meeting. Each shareholder or proxyholder gives the scrutineers a ballot indicating his name, that of the shareholder whose proxy he holds, the number of votes he holds and the breakdown of such votes.

A shareholder may demand a ballot either before or after a vote by show of hands. A demand for a secret ballot may be withdrawn any time before voting begins.

When voting is conducted by secret ballot, the meeting appoints one person to act as scrutineer.

93. **Scrutineer**

The Chair of any shareholder meeting can appoint one or two persons to act as scrutineers.

94. **Voting by a group**

A natural person authorized by a resolution of the Board of Directors or of the management of a shareholder who is a group may participate in and vote at a shareholders meeting.

95. **Voting by the administrator of the property of others**

A person acting for a shareholder as administrator of the property of others may participate in and vote at a shareholders meeting.

96. **Voting by joint shareholders**

If two or more persons hold shares jointly, one of those shareholders present at a shareholders meeting may, in the absence of the others, exercise the voting right attached to those shares. If more than one (1) shareholder are present, they shall vote as one shareholder.

97. **Proxies**

A shareholder may be represented at a shareholders meeting by a proxyholder. A shareholder so represented is deemed to be present at the meeting. Any person, whether or not a shareholder of the Corporation, may be appointed a proxyholder. A proxyholder has

the same rights as the shareholder represented to speak at a shareholders meeting in respect of any matter and to vote at the meeting.

A proxy must be in writing and signed by the shareholder. In addition to the date, the proxy must include the name of the proxyholder and, if applicable, revoke any former proxy.

A proxy may also contain voting instructions which the proxyholder is required to follow. A proxy is not required to be witnessed.

Unless otherwise indicated, a proxy lapses one year after the date it is given. It may be revoked at any time.

A proxy may be filed with the secretary of the Corporation or any authorized person. A proxy mechanically reproduced or sent by fax or any other means of communication providing proof of the date of receipt is valid.

98. **Preservation of ballots and proxies**

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

99. **Adjournment**

The Chair of the meeting may adjourn any shareholders meeting, with the consent of the shareholders present or represented by proxy. The Chair of the meeting may also adjourn a meeting *ex officio* if he believes it is impossible to conduct it in an orderly manner.

If a shareholders' meeting is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the original meeting. If a shareholders' meeting is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.

The meeting is validly resumed if it is held on the date and at the time and place announced and if there is a quorum. In the absence of a quorum at the resumed meeting, the original meeting is deemed to have terminated immediately after its adjournment.

100. **Signed resolution**

A resolution in writing signed by all the shareholders entitled to vote on the resolution is as valid as if it had been passed at a shareholders meeting. The resolution must be kept with the minutes of the shareholders meetings and written resolutions.

The written resolutions that are signed electronically are as legally valid as a written signature.

L. **SHARES AND CERTIFICATES**

101. **Issue of shares**

Subject to the existence of a pre-emptive right granted to the shareholders, shares may be issued at the times, to the persons, including the directors or officers of the Corporation, and for the consideration the Board of Directors determines. In exercising this power, the Board of Directors may, by resolution, accept subscriptions, issue the unissued shares of the Corporation's share capital and grant an exchange right, option or right to acquire shares of the Corporation.

102. **Payment of shares**

The shares of the Corporation may be issued whether or not they are fully paid. However, shares may only be considered paid if consideration equal to the issue price (which may not be less than the par value, if any, of the shares) determined by the Board of Directors has been paid to the Corporation.

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

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

103. **Share certificates**

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

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

The Board of Directors may also, by resolution, determine that certificated shares become uncertificated shares as soon as the paper certificate is surrendered to the Corporation.

104. **Certificated shares**

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

The Board of Directors adopts the form of the share certificate by resolution, as governed by the Act.

The share certificates of the Corporation must be signed by the secretary or by any director or any officer. This signature may be affixed by an automatic device or electronic process.

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

The seal is not required to be affixed to the share certificate.

105. **Uncertificated shares**

In the case of uncertificated shares, the Corporation must send the shareholder a written notice containing the information prescribed by the Act.

106. **Damaged, lost or destroyed certificates**

If a shareholder claims that a share certificate has been lost, wrongfully taken or destroyed, the Corporation must issue a new certificate if the shareholder:

- (a) so requests before the Corporation has notice that the lost, wrongfully taken or allegedly destroyed share certificate has been delivered to a protected purchaser within the meaning of the *Act respecting the transfer of securities and the establishment of security entitlements* CQLR, chapter T-11);
- (b) provides security sufficient in the Corporation's judgment to protect the Corporation from any loss that the Corporation may suffer by issuing a new certificate; and
- (c) satisfies any other reasonable requirements imposed by the Corporation.

107. **Unpaid shares**

Unless the terms of payment for shares are determined by contract, the Board of Directors may call for payment of all or part of the unpaid amounts on shares subscribed or held by the shareholders, the whole as provided by the Act.

108. **Transfer of shares**

The transfer of shares of the Corporation is governed by the Act respecting the transfer of securities and the establishment of security entitlements.

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

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

109. **Transmission of shares**

In the event of a transfer of shares by will, the Corporation may consider as entitled to exercise the rights of a deceased shareholder, an heir or personal representative of the heirs or of the succession of that shareholder, upon reception of sufficient proof of their appointment. That person is entitled to become the registered holder of the shares of the deceased or to designate those holders upon delivery to the Corporation of an affidavit or declaration setting out the conditions of the transfer and, as the case may be, of (a) an original of the decision concerning the probate of the will or the notarized minutes of the probate, or a copy of one of the aforementioned documents certified by the Court which rendered the decision or by the notary who prepared the minutes, or by a trust company constituted under provincial or federal legislation or by an attorney or notary acting on behalf of that person, (b) a certified true copy of the notarial will.

M. **DIVIDENDS**

110. **Declaration of dividends**

Unless otherwise provided in the articles, the Board of Directors may declare and the Corporation may pay a dividend either in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the Corporation.

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

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

111. **Record Date**

The Board of Directors may fix, in advance, in accordance with applicable securities regulations, a record date for the determination of the shareholders entitled to receive dividends.

N. **FISCAL YEAR AND AUDITOR**

112. **Fiscal year**

The fiscal year of the Corporation ends on December 31st or on the date set by resolution of the Board of Directors.

113. **Auditor**

The shareholders of the Corporation appoint an auditor at each annual shareholders meeting. The auditor is appointed by ordinary resolution. The term of the auditor begins on appointment. The auditor's remuneration is fixed by ordinary resolution of the

shareholders at the time of appointment. If it is not fixed at that time, it is fixed by the Board of Directors.

The shareholders may, by ordinary resolution at a special meeting, remove the auditor from office. They may appoint a new auditor by ordinary resolution at the same meeting.

Subject to the shareholders' right to fill the vacancy after removing an auditor, the Board of Directors fills a vacancy in the office of auditor without delay for the unexpired term.

O. NOTICE

114. Shares registered in the name of more than one person (joint shareholders)

Subject to the *Securities Act* and the applicable securities regulations, if two or more persons hold shares jointly, any notice or other document relating to such shares is sent to the first shareholder indicated in the Corporation's securities register. Such notice or other document is deemed to have been sent to all the other shareholders.

115. Registered shareholder

Before due presentation for registration of transfer of a certificated share or the receipt of an instruction for registration of transfer of an uncertificated share, the Corporation may treat the shareholder registered in the securities register as the person exclusively entitled to receive notices or other documents.

116. Address of shareholders

A shareholder must provide the Corporation with an address to which all notices or documents for him are sent.

117. Signing of notices

Notices sent by the Corporation are signed by a director, officer or any other authorized person. Their signature may be affixed by an automatic device or electronic process.

118. Calculation of time limits

Unless otherwise provided in these by-laws, in computing any time limit fixed by the articles or these by-laws:

- (a) the day which marks the start of the time limit is not counted, but the terminal day is counted;
 - (b) non-judicial days within the meaning of the *Code of Civil Procedure* are counted; but when the last day is a non-judicial day, the time limit is extended to the next following judicial day;
 - (c) Saturday is considered a non-judicial day.
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P. **OTHER PROVISIONS**

119. **Declarations in the enterprise register**

A director, officer or any authorized person signs the declarations which must be sent by the Corporation to the enterprise registrar under the *Act respecting the legal publicity of enterprises*.

120. **Conflict with the Act and the articles**

In the event of a contradiction between the Act, the articles and the by-laws, the Act shall prevail over the articles and the by-laws and the provisions of the articles shall take precedence over the by-laws.

121. **By-laws**

The Board of Directors adopts the Corporation's by-laws. The by-laws are effective as of the date of the resolution of the board. The by-laws must be submitted to the shareholders for approval at the next shareholders meeting, and the shareholders may, by ordinary resolution, ratify, reject or amend them. They cease to be effective at the close of the meeting if they are rejected by or not submitted to the shareholders.

The rules of this section apply, with the necessary modifications to the amendment or repeal of by-laws.

Any new by-law adopted by the Board of Directors that has substantially the same purpose or effect as a by-law previously rejected by or not submitted to the shareholders at the meeting is not effective until confirmed by the shareholders.

Adopted by the Board of Directors on April 10, 2019 and ratified by the shareholders on April 29, 2019.

Secretary



Milestone Pharmaceuticals Announces Closing of Initial Public Offering

Montreal, QC, CA, and Charlotte, NC, May 13, 2019 — Milestone Pharmaceuticals Inc. (Nasdaq: MIST), a Phase 3 clinical-stage biopharmaceutical company dedicated to developing and commercializing etripamil for the treatment of cardiovascular indications, today announced the closing of its previously announced initial public offering of 5,500,000 of its common shares at a public offering price of \$15.00 per share. The gross proceeds to Milestone, before deducting underwriting discounts, commissions and offering expenses, were approximately \$82.5 million. All of the common shares were offered by Milestone.

Milestone's common shares are listed on the Nasdaq Global Select Market under the ticker symbol "MIST."

Jefferies LLC, Cowen and Company, LLC, and Piper Jaffray & Co. served as joint book-running managers for the offering. Oppenheimer & Co. Inc. served as lead manager for the offering.

The shares were offered by Milestone pursuant to registration statements that were declared effective by the U.S. Securities and Exchange Commission ("SEC") on May 8, 2019. A prospectus relating to and describing the terms of the offering has been filed with the SEC and is available on the SEC's website at www.sec.gov.

The offering of these shares was made only by means of a prospectus. Copies of the final prospectus relating to this offering may be obtained from Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, 2nd Floor, New York, NY 10022, or by telephone at (877) 821-7388, or by e-mail at Prospectus_Department@Jefferies.com, or from Cowen and Company, LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, Attention: Prospectus Department, by telephone at 631-592-5973 or by email at PostSaleManualRequests@broadridge.com, or from Piper Jaffray & Co., Attention: Prospectus Department, 800 Nicollet Mall, J12S03, Minneapolis, MN 55402, by telephone at (800) 747-3924 or by email at prospectus@pjc.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Milestone's common shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction.

About Milestone Pharmaceuticals

Milestone, headquartered in Montreal, Canada with a U.S. subsidiary in Charlotte, N.C., is a Phase 3 clinical-stage biopharmaceutical company dedicated to developing and commercializing the investigational new drug etripamil for the treatment of cardiovascular indications. Etripamil is a novel, potent and short-acting calcium channel blocker designed by Milestone and being developed as a rapid-onset nasal spray to be administered by the patient to terminate episodes of paroxysmal supraventricular tachycardia (PSVT) as they occur.

Forward-Looking Statements:

This press release includes certain disclosures that contain "forward-looking statements," including, without limitation, statements regarding Milestone's expectations regarding the clinical development of etripamil. Forward-looking statements are based on Milestone's current expectations and are

subject to inherent uncertainties, risks and assumptions that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, risks and uncertainties related to the risks inherent in biopharmaceutical product development and clinical trials. These and other risks and uncertainties are described more fully in the section titled "Risk Factors" in the final prospectus related to the offering as filed with the SEC on May 9, 2019. Forward-looking statements contained in this announcement are made as of this date, and Milestone undertakes no duty to update such information except as required under applicable law.

Contact:

David Pitts
Argot Partners
212-600-1902
david@argotpartners.com



Milestone Pharmaceuticals Announces Full Exercise of Underwriters' Option to Purchase Additional Shares in Its Initial Public Offering

Montreal, QC, CA, and Charlotte, NC, May 14, 2019 — Milestone Pharmaceuticals Inc. (Nasdaq: MIST), a Phase 3 clinical-stage biopharmaceutical company dedicated to developing and commercializing etripamil for the treatment of cardiovascular indications, today announced that the underwriters for its initial public offering of common shares have fully exercised their option to purchase an additional 825,000 common shares at the public offering price of \$15.00 per share. The gross proceeds to Milestone from the exercise of the option, are expected to be approximately \$12.4 million, bringing the total gross proceeds of Milestone's initial public offering to approximately \$94.9 million before deducting underwriting discounts, commissions and offering expenses. All of the common shares were offered by Milestone. The closing of the option exercise is expected to occur on May 15, 2019, subject to satisfaction of customary closing conditions.

Milestone's common shares are listed on the Nasdaq Global Select Market under the ticker symbol "MIST."

Jefferies LLC, Cowen and Company, LLC, and Piper Jaffray & Co. served as joint book-running managers for the offering. Oppenheimer & Co. Inc. served as lead manager for the offering.

The shares were offered by Milestone pursuant to registration statements that were declared effective by the U.S. Securities and Exchange Commission ("SEC") on May 8, 2019. A prospectus relating to and describing the terms of the offering has been filed with the SEC and is available on the SEC's website at www.sec.gov.

The offering of these shares was made only by means of a prospectus. Copies of the final prospectus relating to this offering may be obtained from Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, 2nd Floor, New York, NY 10022, or by telephone at (877) 821-7388, or by e-mail at Prospectus_Department@Jefferies.com, or from Cowen and Company, LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, Attention: Prospectus Department, by telephone at 631-592-5973 or by email at PostSaleManualRequests@broadridge.com, or from Piper Jaffray & Co., Attention: Prospectus Department, 800 Nicollet Mall, J12S03, Minneapolis, MN 55402, by telephone at (800) 747-3924 or by email at prospectus@pjc.com.

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About Milestone Pharmaceuticals

Milestone, headquartered in Montreal, Canada with a U.S. subsidiary in Charlotte, N.C., is a Phase 3 clinical-stage biopharmaceutical company dedicated to developing and commercializing the investigational new drug etripamil for the treatment of cardiovascular indications. Etripamil is a novel, potent and short-acting calcium channel blocker designed by Milestone and being developed as a rapid-onset nasal spray to be administered by the patient to terminate episodes of paroxysmal supraventricular tachycardia (PSVT) as they occur.

Forward-Looking Statements:

This press release includes certain disclosures that contain “forward-looking statements,” including, without limitation, statements regarding Milestone’s expectations regarding the clinical development of etripamil and the closing of the sale of additional common shares. Forward-looking statements are based on Milestone’s current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, risks and uncertainties related to the risks inherent in biopharmaceutical product development and clinical trials. These and other risks and uncertainties are described more fully in the section titled “Risk Factors” in the final prospectus related to the offering as filed with the SEC on May 9, 2019. Forward-looking statements contained in this announcement are made as of this date, and Milestone undertakes no duty to update such information except as required under applicable law.

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