

A summary of the minority shareholder rights provisions applicable to Amaroq Minerals Ltd., a corporation continued under the *Business Corporations Act* (Ontario), is below. The summary relates to rules in relation to (i) the general meeting of shareholders; (ii) the appointment and removal of directors to the board; (iii) preemption rights in relation to share issues; (iv) mandatory redemption of shares; (v) requirements for a special audit; (vi) public takeovers; and (vii) mergers and other similar transactions.

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<p><u>General principles</u></p> <p>Under Icelandic law a general principle exists on the equal rights of shareholders in accordance with their shareholdings, which is derived from the wording of Article 20(2) of the Icelandic Act No. 2/1995 respecting Public Limited Companies (the "PLCA"), which provides that all shares shall have equal rights in the company. This can be deviated from by establishing share classes in a company's articles of association. Public Limited Companies are obligated to adopt a purpose of the company into their articles of association and cannot in their operations go beyond that which falls within their purpose as described in the articles. A company's board of directors and chief executive officer/managing director have a fiduciary duty to the company and as such, the protection of a company's interests is their main task and duty. A company's shareholders' meeting, board of directors, manager and those others being authorized to represent the company may not make any such arrangements or adopt such resolutions as are suited to acquire improper interests for specific shareholders or others at the expense of other shareholders or the company.</p>	
<p><u>General meeting of shareholders</u></p> <p>According to the PLCA, a shareholders' meeting wields supreme power over the affairs of an Icelandic public limited company in accordance with that which is decided in laws and the company's articles of association. Shareholders wield their power to decide upon company affairs at shareholders' meetings. All shareholders are authorized to attend a shareholders' meeting and to speak there. Companies, having their shares admitted to trading on a regulated market are duty bound to afford shareholders an opportunity of casting votes on issues on the agenda of a</p>	<p><u>General meeting of shareholders</u></p> <p>Under the <i>Business Corporations Act</i> (Ontario) ("OBCA"), an annual general meeting is to be held not later than eighteen months after the corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting.¹</p> <p>The directors of a corporation may also at any time call a special meeting of shareholders.² The holders of not less than five per cent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the</p>

¹ OBCA, s. 94(1)(a)

² OBCA, s. 94(1)(b)

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<p>shareholders' meeting by letter or electronically.</p> <p>Each share grants the right to vote. It may be decided in a company's articles of association that increased voting value attach to specific shares and that shares may even be without voting rights.</p> <p>Pursuant to the PLCA, an annual general meeting of the shareholders is to be held in accordance with a company's articles of association but no less than once a year and never later than within eight months of the end of the company's financial year. An extraordinary meeting of the shareholders shall be held when the company's board of directors or representative committee (if the company has such a committee) deem this necessary. An extraordinary meeting shall be called within 14 days if elected auditors or shareholders controlling a minimum of a twentieth of the share capital, provided a lower limit be not fixed in a company's articles of association, so require in writing, specifying the agenda (the agenda shall be in accordance to Article 84 of the PLCA and the company's articles of association). The company's board of directors will undertake the calling of shareholders' meetings. If the company has no active board of directors or the company's board omit calling a shareholders' meeting which shall be held in accordance with laws, company articles of association or a decision by a shareholders' meeting, the Minister (overseeing the PLCA at any given time) shall have the meeting called if a director, a member of a representative committee, a manager, an auditor, an inspector or a shareholder so require. The representative of the Minister shall direct shareholders' meetings which the Minister has had called, cf. Article 90(3), and the company's board of directors are in duty bound to hand over to him a register of shares and the company's record of minutes and audit.</p>	<p>purposes stated in the requisition.³ If the directors do not within twenty-one days after receiving the requisition to call a meeting, any shareholder who signed the requisition may call the meeting.⁴ A written resolution signed by all of the shareholders or their attorney authorized in writing entitled to vote on that resolution is also as valid as if it had been passed at a meeting of the shareholders, except as specified otherwise in the OBCA.⁵</p> <p>The record date for notice of meeting will be no fewer than 30 and no more than 60 days before the meeting date.⁶ Notice of the time and place of a shareholders' meeting must be sent not less than 25 days and not more than 50 days before the meeting to (a) each shareholder entitled to vote at the meeting; (b) each director; and (c) the auditor of the corporation.⁷ A notice of a meeting is not required to be sent to shareholders who were not registered on the records of the corporation or its transfer agent on the record date, but failure to receive a notice does not deprive a shareholder of the right to vote at the meeting.⁸ The corporation shall prepare a list of shareholders entitled to receive notice of a meeting.⁹ Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, as the shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.¹⁰</p> <p>A registered holder of shares entitled to vote or a beneficial owner of shares that are entitled to be voted at a meeting of shareholders may, (a) submit to the corporation notice of a proposal and (b) discuss at the meeting any matter in respect of which the registered holder or beneficial owner would have been entitled to submit a proposal.¹¹ Where a corporation receives notice of a proposal, (a) if the corporation provides a management information circular, it shall set out the proposal in the management information circular or attach the proposal to that circular; or (b) if the corporation does not provide a</p>

³ OBCA, s. 105(1)

⁴ OBCA, s. 105(4)

⁵ OBCA, s. 104(1)

⁶ NI 54-101, s. 2.1; OBCA, s. 95(2)

⁷ OBCA, s. 96(1); NI 54-101, s. 2.2

⁸ OBCA, s. 96(2)

⁹ OBCA, s. 100(1)-(2)

¹⁰ OBCA, s. 110(1)

¹¹ OBCA, s. 99(1)

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<p>Annual general meetings of companies having their shares admitted to trading on a regulated market shall be called at least three weeks before the meeting and no earlier than six weeks before the meeting. Extraordinary general meetings shall be summoned no earlier than four weeks before the meeting and at least three weeks before the meeting. With certain conditions, such as all shareholders having the opportunity to vote electronically, extraordinary general meetings may be called with 2 weeks' notice, certain conditions also apply to such meetings' resolutions. Each shareholder is entitled to have a specific matter taken for consideration at a shareholders' meeting if he submits a requirement in writing or electronically relating thereto to the company's board of directors at such advance notice that it be possible to introduce the matter to the agenda of the meeting, which is detailed further in the PLCA. In addition, as further detailed in Article 88 d of the PLCA, a company whose shares are admitted to trading on a regulated market shall continuously for 21 days prior to a shareholders' meeting and also on the date of the meeting grant its shareholders on the company's website at least information regarding 1) the call to a meeting, 2) total number of shares and votes on the date of the calling of a meeting, itemized by classes if applicable, 3) documents which will be presented to the meeting, 4) a resolution proposal or where applicable remarks from a competent lawful body in the company for statutes regarding each matter in the draft of a shareholders' meeting agenda, shareholders' resolution proposals shall also be added to the company's website as soon as possible after receipt thereof, and 5) where applicable, forms which the representative shall use upon the casting of votes or shall be used upon casting of votes in writing, unless these be sent to each shareholder.</p> <p>It is not possible to take for final decision at a shareholders' meeting matters which have not been specified in an agenda unless this meets the approval of all the company's shareholders, but resolution thereon may be made as guidance for the company's board of directors. When a</p>	<p>management information circular, it shall set out the proposal in the notice of meeting for the shareholders' meeting at which the matter is proposed to be raised or shall attach the proposal to such notice of meeting.¹² At the request of a person who submits notice of a proposal, the corporation shall, except in certain circumstances outlined in the OBCA, include in the management information circular or the notice of meeting, or shall attach to it, the person's statement in support of the proposal and the person's name and address. The statement and the proposal must together not exceed 500 words.¹³ A proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five per cent of the shares or five per cent of the shares of a class or series of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented, but this requirement does not preclude nominations being made at a meeting of shareholders.¹⁴</p> <p>Unless the by-laws otherwise provide, (i) voting at a meeting of shareholders shall be by show of hands, except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting and (ii) a vote at a meeting of shareholders may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person.¹⁵</p> <p>Unless the articles otherwise provide, each share of a corporation entitles the holder thereof to one vote at a meeting of shareholders.¹⁶ A special resolution, being a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution, is required for certain matters, including but not limited to, changing the corporate name, creating a new class of shares, changing the number of directors or minimum/maximum number of directors, subject to the OBCA.¹⁷</p>

¹² OBCA, s. 99(2)

¹³ OBCA, s. 99(3); OBCA Regulations, s. 23.4

¹⁴ OBCA, s. 99(4)

¹⁵ OBCA, s. 103(1) and s. 103(2.1)

¹⁶ OBCA, s. 102(1)

¹⁷ OBCA, s. 168(1) and s. 168(5)

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<p>shareholder so requires and that may be done without considerable loss to the company in the opinion of the company's board of directors, the board and the manager shall submit to a shareholders' meeting information relating to such matters as are of importance for assessment of the company's annual accounts and its status in other respects or which may have an effect upon the shareholders' attitude to matters which are to be decided upon at the meeting. The duty to grant information also applies to the company's connection with other companies within the same group and ownership of shares of individual shareholders and their voting right. If information is not available at a shareholders' meeting, shareholders shall within fourteen days thereafter have access to information in writing with the company and this shall also be sent to the shareholders who have so requested.</p> <p>A simple plurality of votes will decide issues at a shareholders' meeting, unless otherwise stipulated in laws or a company's articles of association. In case votes break even at elections in the company lots drawn will decide issues, unless otherwise stipulated in a company's articles of association. As further detailed in Article 93 of the PLCA, where certain exemptions are made, a decision relating to an amendment to a company's articles of association shall be made at a shareholders' meeting and will become valid only provided it obtain the approval of a minimum of two-third of the votes cast and also the approval of shareholders controlling at least two-third of the share capital in respect of which votes are wielded at the shareholders' meeting. The approval of all shareholders is required in order that decisions relating to the following amendments to Company Articles of Association enter into force: 1) to abridge shareholders' rights to the payment of dividend or to other allocation from a company for the benefit of others than shareholders, 2) to increase shareholders' liabilities towards a company, 3) to limit shareholders' authority for the handling of their shares under the provisions of Articles 22 and 23 or to obligate shareholders to be subject to redemption of their shares without there being a case of dissolution of the company. Increased majorities also apply in certain other cases, specified in Article 94 of the PLCA, such as regarding decisions that abridge the right of shareholders to dividend or other payments or derange the judicial relationship between shareholders.</p> <p>A shareholders' meeting may not adopt a resolution which is suited to</p>	

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<p>acquire improper interest for specific shareholders or others at the expense of other shareholders or the company. With certain exceptions, as detailed in Article 95 a of the PLCA, an agreement between a company and its shareholders, the shareholders' parent company, directors or managing directors of a company, amounting to in real terms at least a tenth of the shares at the time of signing of the agreement, will not bind a company unless having obtained the approval of a shareholders meeting. A shareholder, a director or a manager may institute legal proceedings on account of a decision by a shareholders' meeting which has been made in an unlawful manner or is in conflict with the PLCA or the company's articles of association.</p>	
<p><u>Appointment and removal of directors to the board</u></p> <p>A shareholders' meeting will elect a board of directors. Notice shall be given in writing at the latest five days prior to a shareholders' meeting where a company's board of directors shall be elected about the candidature for the board of directors of a Public Limited Company. Article 63 of the PLCA lays down the framework for election of the board of directors, pursuant to which, it is permissible for articles of association to grant authorities or others the right to nominate one or more directors. The majority of a board of directors shall, however, at all times be elected by a shareholders' meeting. The directors who are elected shall all be elected at the same meeting. majority elections, proportional elections or multiplication elections may be applied upon the election of a board of directors and there shall be chosen between individuals or lists with the names of one or more individuals. A company's articles of association may decide how directors shall be elected and how the elections shall be executed. If shareholders controlling a minimum of a fifth of the share capital so require proportional ballot or multiplication elections shall be applied upon the election of the company's directors. In companies where there are 200 or more shareholders those controlling a minimum of a tenth of the share capital may also submit such a requirement. A requirement relating hereto shall have been received by the company's board of</p>	<p><u>Appointment and removal of directors to the board</u></p> <p>Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of a corporation.¹⁸ Shareholders shall, by ordinary resolution, elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders following the election.^{19,20} Where a special resolution empowers the directors of a corporation the articles of which provide for a minimum and maximum number of directors to determine the number of directors, the directors may not, between meetings of shareholders, appoint an additional director if, after such appointment, the total number of directors would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.²⁰</p> <p>A director ceases to hold office when the director (a) dies or resigns, (b) is removed by shareholders in accordance with the OBCA or (c) becomes disqualified under the OBCA (i.e. if they (i) are less than 18 years of age, (ii) are found under the <i>Substitute Decisions Act, 1992</i> or under the <i>Mental Health Act</i> to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere, (iii) are not an individual</p>

¹⁸ OBCA, s. 115(1)

¹⁹ OBCA, s. 119(4)

²⁰ OBCA, s. 124(2)

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<p>directors at least five days in advance of a shareholders' meeting. In case requirements be received from more than a single group of shareholders and both proportional ballot and multiplication elections are demanded, the latter shall be applied.</p> <p>Article 66 of the PLCA lays down the conditions for which a director must meet in order to be eligible as a director of a Public Limited Company, such as that they shall be of legal status, in control of their finances and may not during the immediate past three years have in connection with business operations been subject to judgment for a punishable act according to the Penal Code or Acts respecting Public Limited Companies, Private Limited Companies, book-keeping, annual accounts, bankruptcies or official charges. The company's board of directors shall elect a chairman, unless it be decided in articles of association that a shareholders' meeting shall elect a chairman separately.</p> <p>A director or manager may not participate in the handling of a matter relating to the preparation of an agreement between the company and themselves, concerning legal action against themselves, or the preparation of an agreement between the company and a third party or legal proceedings against a third party if they have considerable interests to safeguard there and which might be in conflict with the company's interests. A director and a manager are in duty bound to disclose information about such incidents.</p> <p>A director may give notice of the termination of his office at any time. He shall send notification thereof to the company's board of directors and also to the person who has nominated him if he has not been elected by a shareholders' meeting. A person who has elected or nominated a director may dismiss him. The provisions of Article 63 of the PLCA must, however, be heeded if a proportional or multiplication election has proceeded, so that dismissal will require over three-quarters of the votes on a three-person board of directors, over four-fifth on a four-person board, over five-sixth on a five-person board, over six-seventh on a six- person board, over seven-eight on a seven-person board, over eight-ninth on an</p>	<p>or (iv) have the status of bankrupt).²¹ The shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office, except that where the articles provide for cumulative voting, a director may not be removed from office if the votes cast against the director's removal would be sufficient to elect him or her and such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected.²² Where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.²³</p>

²¹ OBCA, s. 118(1), 121(1)

²² OBCA, s. 120(f) and 122(1)

²³ OBCA, s. 122(2)

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<p>eight-person board, over nine-tenth on a nine-person board etc. A shareholders' meeting may at all times dismiss all the members of the board of directors it elected and have elections to the board undertaken anew. If a director's office is concluded prior to the completion of an electoral period or if he no longer meets the conditions of Article 66 to be able to remain on the board and there is no reserve to replace him, the remaining directors are subject to the duty of arranging for the election of a new director for the remainder of the electoral period of the former or request a nomination. If the election pertains to a shareholders' meeting it is, however, possible to postpone the election of a new director until the next annual general meeting when an election of a board of directors is to be held, provided that the board be able to make decisions with the directors and reserves remaining.</p>	
<p><u>Preemption rights in relation to share issues</u></p> <p>Article 34(1) of the PLCA provides that upon an increase of share capital shareholders are entitled to subscribe to new shares in direct proportion to their holdings. In public limited companies not imposing restrictions upon transactions in shares between parties the shareholders may convey to other parties their right to subscription in part or in full, but entire shares only. In case one of the older shareholders does not use or convey, cf. the second sentence, his right to subscription in full, other older shareholders possess an increased right to subscription which they cannot convey to others.</p> <p>In case of more than a single class of shares where voting right or entitlement to dividend or allocation of the company's assets varies it is possible in the company's articles of association to grant shareholders in these classes priority right to subscribe to shares in their own classes. In such instances shareholders in other classes can first avail themselves of the priority right to subscription in accordance with Article 34(1) of the PLCA after the shareholders specified therein.</p> <p>A shareholders' meeting may with the number of votes stipulated in Article 93 of the PLCA (regarding amendments to a company's articles of association) decide to deviate from the rule specified in Article 34(1)</p>	<p><u>Preemption rights in relation to share issues</u></p> <p>If it is so provided in the articles or a unanimous shareholder agreement, no shares of a class or series shall be issued unless the shares have first been offered to the shareholders of the corporation holding shares of that class or series or of another class or series on such terms as are provided in the articles or unanimous shareholder agreement.²⁴</p>

²⁴ OBCA, s. 26

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<p>PLCA, provided that shareholders be in no way treated with discrimination. A shareholders' meeting cannot, however, decide upon a more extensive deviation from shareholders' right to subscription than that specified in the call to the meeting without the approval of those shareholders who are subject to an abridgment of their right of subscription. A publication shall be made in the "Legal Gazette" at the notifying party's expense on the principal subject of a shareholders' meeting's decision concerning deviation from the right of shareholders to subscription.</p>	
<p><u>Mandatory redemption of shares</u></p> <p>The articles of association of Public Limited Companies, having under 200 shareholders, may provide for restrictions of hypothecation, sale or other transfer, whereas such acts are subject to the approval of the company. If the board of directors of the company rejects such acts, the shareholder may require the company to redeem the shares in question.</p> <p>In case a shareholder owns more than nine-tenth of share capital in any Public Limited Company and controls corresponding voting powers each individual minority shareholder may require redemption with the shareholder. Further rules on mandatory redemption of shares apply in case of companies which are not admitted to trading on a regulated market. Article 106 of the PLCA provides that shareholders controlling over a fifth of the share capital of a company may require a judgment to the effect that a company be dissolved on the grounds that shareholders have deliberately abused their position within the company or participated in offences against the PLCA or the company's articles of association. In case it be required before a court of law on the part of the company it may be decided in a judgment that dissolution of a company may be replaced by the company redeeming shares belonging to the shareholders who have required dissolution of the Company under Article 106 PLCA.</p> <p>Pursuant to Article 131 PLCA shareholders in a company or companies which are merged with others who have voted against amalgamation or merger to form a new company are entitled to redemption of their shares</p>	<p><u>Mandatory redemption of shares</u></p> <p>If within 120 days after the date of a take-over bid or an issuer bid, the bid is accepted by the holders of not less than 90% of the securities of any class of securities to which the bid relates, other than securities held at the date of the bid by or on behalf of the offeror, or an affiliate or associate of the offeror, the offeror is entitled, upon complying with the provisions of the OBCA, to acquire the securities held by dissenting offerees.²⁵ The dissenting offeree is required to elect, (i) to transfer his, her or its securities to the offeror on the terms on which the offeror acquired the securities of the offerees who accepted the bid, or (ii) to demand payment of the fair value of his, her or its securities in accordance with the OBCA.²⁶</p>

²⁵ OBCA, s. 188(1)

²⁶ OBCA, s. 188(2)

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<p>if this is required in writing within a month as of the time the shareholders' meeting was held.</p>	
<p><u>Requirements for a special audit/investigation</u></p> <p>According to Article 97 of the PLCA, at an annual general meeting or another shareholders' meeting where the matter is on the agenda a shareholder may submit a proposal to the effect that an investigation be conducted into the establishment of a company, specific items relating to the activities of the company or certain sectors of the book-keeping or the annual accounts. In case the proposal obtains the support of a group of shareholders controlling a minimum of one tenth of the share capital a shareholder may at the latest a month after the completion of the meeting request the Minister to nominate investigators. The request shall be taken into account provided that the Minister consider there to be sufficient reason therefore. The Minister shall afford the company's board of directors and auditors and, when applicable, those concerned with the matter an opportunity of expressing their opinion of the requirement prior to his reaching a decision. The Minister will fix the number of investigators and they shall include both a state authorized public accountant and a lawyer.</p>	<p><u>Requirements for a special audit</u></p> <p>N/A</p>
<p><u>Public takeovers</u></p> <p>The framework for rules on public takeovers is set forth in the provisions of Chapter X of the Icelandic Act on Takeovers No 108/2007 (the "Icelandic Takeover Act").</p> <p>Article 99 (6) of the Icelandic Takeover Act provides that the provisions of Chapter X of the Act apply to takeover bids targeting issuers having their registered office in a state outside the EEA who have had a class of securities admitted to trading on a regulated market only in Iceland and not in other markets.</p> <p>Paragraph 1 of Article 100 of the Icelandic Takeover Act states that if a</p>	<p><u>Public takeovers</u></p> <p>National Instrument 62-104 contains rules governing take-over bids and applicable exemptions. Canadian takeover rules are triggered when an acquiror crosses a bright-line 20% threshold ownership of a class of shares in the target corporation.²⁷ If a take-over bid is made, all holders of the same class of securities must be offered identical consideration.²⁸ The offeror must prepare and send a take-over bid circular to the corporation's security holders.²⁹ If a take-over bid has been made, the board of directors of the target must prepare and send a directors' circular to every person to whom the bid was required to be sent.³⁰ The directors' circular must (a) recommend to security holders that they accept or reject the bid and state</p>

²⁷ NI 62-104, s.1.1

²⁸ NI 62-104, s. 2.23

²⁹ NI 62-104, s. 2.10

³⁰ NI 62-104, s. 2.17

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<p>party, directly or indirectly gains control of a company that has a class of shares which has been admitted to trading on a regulated market, that person shall no later than four weeks after the person knew or could be expected to have known about the mandatory bid obligation, or a decision on the bid was available, extend a takeover bid to other shareholders of the company, i.e. a bid to purchase their shares in the company.</p> <p>Control of the Issuer means that the party and any party acting in concert with it has acquired:</p> <ul style="list-style-type: none"> i. in total at least 30% of the voting rights in the Issuer; ii. the right to control at least 30% of the voting rights in the Issuer by virtue of an agreement with other shareholders; and iii. the right to appoint or dismiss the majority of the members of the Issuer's Board of Directors. <p>This applies where the increased holding is the result of a purchase, subscription, conversion or any other form of acquisition of shares in the target company (other than a public offer) or by establishing a close relationship.</p> <p>A related party can be an entity within the same corporate group as the buyer, a spouse, co-habitant or minor child, as well as any person or entity that cooperates with the buyer to obtain control over the Company or with whom the buyer has reached an agreement regarding the coordinated exercise of voting rights with the aim of obtaining a long-term controlling influence on the Company's management. An authorisation from the FSA is required to permit the acquirer (or the related party) to reduce its level of voting share ownership within the grace period of four weeks to below 30.0%.</p>	<p>the reasons for the recommendation, (b) advise security holders that the board is unable to make, or is not making, a recommendation and state the reasons for being unable to make a recommendation or for not making a recommendation, or (c) advise security holders that the board is considering whether to make a recommendation to accept or reject the bid, must state the reasons for not making a recommendation in the directors' circular and may advise security holders that they should not deposit their securities under the bid until they receive further communication from the board of directors in accordance with paragraph (a) or (b).³¹</p> <p>Please see above the discussion on the mandatory redemption of shares in cases where the take-over bid is accepted by holders of not less than 90% of the outstanding shares of the class to which the take-over bid relates. If an offeror has otherwise completed a successful take-over bid but has not reached this 90% threshold, it may effect a second-step business combination (in the form of an amalgamation, plan of arrangement, share consolidation or other business combination) that has the effect of squeezing out the remaining shareholders at the same price per security (and in the same form) as the consideration that was offered under the take-over bid.³² The second-step business combination will require shareholder approval.³³ Shareholders that are subject to this second-step business combination following the completion of a take-over bid will generally be entitled to exercise dissent and appraisal rights under applicable corporate law.³⁴ If a take-over bid or any of its components and related transactions can be characterized as an (i) insider bid; (ii) issuer bid; (iii) business combination; or (iv) related party transaction, Multilateral Instrument 61-101 - <i>Protection Of Minority Security Holders In Special Transactions</i> ("MI 61-101") will be applicable and it may be necessary to provide additional minority shareholder protections.³⁵³⁶ Depending on the particular context and transaction, and subject to applicable exemptions,</p>

³¹ NI 62-104, s. 2.17

³² [https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true](https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=(sc.Default)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true)

³³ [https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true](https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=(sc.Default)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true)

³⁴ [https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true](https://ca.practicallaw.thomsonreuters.com/9-569-8305?transitionType=Default&contextData=(sc.Default)&firstPage=true&OWSessionId=5398319e9108420db9b4bcbe117da455&skipAnonymous=true)

³⁵ <https://www.bennettjones.com/PublicMandAinCanada>

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<p>Pursuant to the Icelandic Takeover Act, if an offeror, and parties acting in concert with it, acquire shares representing more than 90.0% of all shares and voting rights in a company from a takeover bid, the offeror and board of the company may jointly decide that other shareholders shall be subject to redemption of their shares, at a fair price. Furthermore, any individual minority shareholder shall be entitled to require redemption of its shares by the offeror under such circumstances. If an offeror or a shareholder requests redemption within three months from the end of the offer period, the price offered in the bid shall be considered a fair price, unless the offeror or parties acting in concert with it paid a higher price than provided for in the takeover bid during the offer period or three months following the conclusion of the period.</p> <p>Pursuant to Article 99 (7) of the Icelandic Takeover Act takeover bids targeting issuers having their registered office in a state outside the EEA and having had a class of securities admitted to trading on a regulated market in Iceland and other markets are subject only to the provisions of Chapter X of the Act, concerning takeovers, relating to consideration in the case of mandatory takeover bids and the provisions relating to the conduct of the bid. This means that in the case of mandatory bids Icelandic law stipulates that the offer price must be equivalent to the highest price paid by the offeror, or by parties acting in concert with it, for shares acquired in the undertaking in question during the past six months prior to making the bid. The bid must, however, be at least equal to the latest transaction price for shares in the undertaking in question the day before the mandatory bidding obligation arose or notification was given of the proposed bid.</p> <p>An offeror must make all shareholders of the same class of shares an offer on the same terms. The Financial Supervisory Authority may adjust a bid price either upwards or downwards under exceptional circumstances, provided that the principle of equal treatment of shareholders is observed.</p> <p>An offeror must notify the regulated market in question of any decision on a bid without delay. The regulated market must make the notification public. The bid shall furthermore be presented to the employees of the</p>	<p>MI 61-101 may require: (i) independent valuation of the target's shares; (ii) minority shareholder approval of the transaction; (iii) enhanced disclosure in circulars; and (iv) independent oversight of the transaction process.³⁶</p>

³⁶ <https://www.bennettjones.com/PublicMandAinCanada>

ICELANDIC LAW	CANADIAN LAW
<p>undertakings in question.</p> <p>Pursuant to Article 112 of the Icelandic Takeover Act, the provisions of Chapter XI of the Icelandic Takeover Act which concern the offer document applies to the Issuer. Such an offer document must be approved by the Icelandic FSA.</p>	
<p><u>Mergers and other similar transactions</u></p> <p>A decision concerning merger of a company which has been taken over will be made by a shareholders' meeting in conformity with the provisions of Article 93 of the PLCA (concerning amendments of the company's articles of association, cf. discussion in chapter on general shareholders' meetings) and further rules which may be contained in company articles of association concerning dissolution or merger of a company, with an exception in case of a merger with a company owning all shares in another company. In case a company is subject to dissolution administration merger may be decided upon only provided allocation to shareholders has not been commenced and that the meeting simultaneously decide that the work of the winding-up committee shall cease. A decision on a merger in a take-over company will be made by the company's board of directors, unless a shareholders' meeting need effect amendments to the articles of association in other respects than that which pertains to the name of the take-over company. A shareholders' meeting will furthermore make a decision if shareholders holding 5% or thereover of the share capital, so require in writing within two weeks as of the time the receipt of a merger schedule has been announced. In such an instance a decision shall be made with the same majority as needed to amend the company's articles of association.</p> <p>Shareholders in one or more companies which have been taken over may require compensation from the company concerned if they have made a reservation in respect thereof at the shareholders' meeting and provided that remuneration for the shares be neither reasonable nor substantiated. Shareholders in the company or companies which are merged with others</p>	<p><u>Mergers and other similar transactions</u></p> <p>Plans of arrangement and amalgamations can be used to conduct mergers. A plan of arrangement is a court supervised transaction that is approved by shareholders.³⁷ In connection with such application, a court may make such order as it considers appropriate, including, without limiting the generality of the foregoing, an order (a) determining the notice to be given to any interested person or dispensing with notice to any person; (b) requiring a corporation to call, hold and conduct an additional meeting of, or to hold a separate vote of, all or any particular group of holders of any securities or warrants of the corporation in such manner as the court directs; (c) permitting a shareholder to dissent under the OBCA if the arrangement is adopted; (d) appointing counsel, at the expense of the corporation, to represent the interests of shareholders; (e) that the arrangement or proposed arrangement shall be deemed not to have been adopted by the shareholders of the corporation unless it has been approved by a specified majority that is greater than two-thirds of the votes cast at a meeting of the holders, or any particular group of holders, of securities or warrants of the corporation; (f) approving the arrangement as proposed by the corporation or as amended in any manner the court may direct, subject to compliance with such terms and conditions, if any, as the court thinks fit.³⁸</p> <p>An amalgamation is where two or more corporations combine to continue as one corporation.³⁹ The directors of each amalgamating corporation shall submit the amalgamation agreement for approval at a meeting of the shareholders of the amalgamating corporation.⁴⁰ The holders of a class or series of shares of an amalgamating corporation, whether or not they are</p>

³⁷ <https://www.bennettjones.com/PublicMandAinCanada>

³⁸ OBCA, s. 182(5)

³⁹ OBCA, s. 174

⁴⁰ OBCA, s. 176(1)

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<p>who have voted against amalgamation or merger to form a new company are entitled to redemption of their shares if this is required in writing within a month as of the time the shareholders' meeting was held, as further detailed in the PLCA.</p>	<p>otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote separately as a class or series under the OBCA.⁴¹ An amalgamation agreement is adopted when the shareholders of each amalgamating corporation have approved of the amalgamation by a special resolution, being a majority of not less than two-thirds of the votes cast by the holders of the shares of each class or series entitled to vote thereon.⁴² Under the OBCA, shareholders have certain dissent rights, entitling the holder to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents.⁴³</p>

⁴¹ OBCA, s. 176(3)

⁴² CBCA, s. 176(4)

⁴³ OBCA, s. 185(1), (4)