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): March 16, 1999

Autodesk, Inc.

(Exact name of registrant as specified in its charter)

Delaware	0-14338	94-2819853
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

111 McInnis Parkway, San Rafael, California	94903
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (415) 507-5000

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

Item 2. Acquisition or Disposition of Assets.

On March 16, 1999 (the "Closing Date"), pursuant to the terms of that certain Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation dated as of November 18, 1998, as amended on December 18, 1998 and on January 18, 1999 (the "Acquisition Agreement"), by and among Autodesk, Inc. ("Autodesk") certain indirect wholly owned subsidiaries of Autodesk and Discreet Logic Inc., a Quebec company ("Discreet"), Autodesk's indirect wholly owned subsidiary, Autodesk Development B.V., acquired all voting shares of the successor company to Discreet resulting from the Amalgamation (as defined below) ("New Discreet") by way of an amalgamation under the Companies Act of Quebec by and among Discreet and certain indirect wholly owned subsidiaries of Autodesk (the "Amalgamation") and certain related transactions described below (together with the Amalgamation, the "Acquisition"). As a result of the Acquisition, New Discreet became an indirect subsidiary of Autodesk.

Pursuant to the Acquisition Agreement, an aggregate of approximately 10 million shares of Autodesk common stock, par value $0.01 per share (the "Autodesk Common Stock"), and New Discreet shares exchangeable for Autodesk Common Stock ("New Discreet Exchangeable Shares"), were issued in exchange for all common shares of Discreet, no par value per share (the "Discreet Common Shares"), issued and outstanding immediately prior to the Amalgamation. Each Discreet Common Share outstanding immediately prior to the Amalgamation was converted, through a series of steps, at the election of its holder, into either (i) 0.33 shares of Autodesk Common Stock, or (ii) 0.33 New Discreet Exchangeable Shares. Each New Discreet Exchangeable Share may be exchanged at the election of the holder for one share of Autodesk Common Stock. In addition, Autodesk assumed all Discreet stock options outstanding immediately prior to the Amalgamation granted under Discreet's Amended and Restated 1994 Restricted Stock and Stock Option Plan, Non-Employee Director Stock Option Plan, and 1997 Special Limited Non-Employee Director Stock Plan as well as all outstanding purchase rights under the Discreet Employee Stock Purchase Plan, and these options and rights were converted into options and rights to acquire Autodesk Common Stock with appropriate adjustments to the number of shares and exercise price thereof based on the 0.33 exchange ratio.

The Acquisition is valued at approximately $410 million based on the closing price of the Autodesk Common Stock on the Nasdaq National Market on the Closing Date and will be accounted for as a pooling-of-interests.

The consideration paid by Autodesk for the Discreet Common Shares and Discreet options and rights outstanding immediately prior to the Amalgamation pursuant to the Acquisition Agreement was determined pursuant to arms' length negotiations and took into account various factors concerning the valuation of the business of Discreet, including public market valuations of comparable companies, multiples paid in recent acquisitions of comparable companies, premiums paid in recent acquisitions of comparable companies, a pro forma earnings analysis of Autodesk upon its acquisition of Discreet and discounted cash flows for Discreet on a stand-alone basis. Autodesk received an opinion from its financial advisor, Piper Jaffray Inc., dated as of January 18, 1999, to the effect that, as of such date, the 0.33 exchange ratio was fair from a financial point of view to Autodesk.

Autodesk plans to combine the businesses of Discreet and its Kinetix division. The new organization, the Discreet business unit of Autodesk, will be headquartered in Montreal, Quebec. Autodesk's Discreet business unit will focus on developing and marketing tools for the creation of digital content in the entertainment and creative design industries. The combined organization will continue to develop and deliver the existing Discreet and Kinetix product lines to professionals in such industries as entertainment, design and visualization.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Discreet

To the extent not previously reported in Autodesk's Registration Statement on Form S-4 (file no. 333-65075), the Financial Statements of Discreet required to be filed pursuant to Item 7(a) of Form 8-K will be filed on a Form 8-K/A as soon as practicable, but in no event later than 60 days after the date this Form 8-K is required to be filed.

(b) Pro forma financial information.

To the extent not previously reported on Autodesk's Registration Statement on Form S-4 (file no. 333-65075), the Pro Forma Financial Information required to be filed pursuant to Item 7(b) of Form 8-K will be filed on a Form 8-K/A as soon as practicable, but in no event later than 60 days after the date this Form 8-K is required to be filed.

(c) Exhibits.

2.1 Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation by and among the Registrant, Autodesk Development B.V., 9066-9771 Quebec Inc., Autodesk Canada Inc., 9066-9854 Quebec Inc. and Discreet Logic Inc., dated as of November 18, 1998, as amended on December 18, 1998 and January 18, 1999.

2.2 Second Amended and Restated Amalgamation Agreement by and among Discreet Logic Inc., 9066-9854 Quebec Inc., 9066-9771 Quebec Inc. and the Registrant dated as of January 18, 1999.

2.3 Articles of Amalgamation filed with the Inspector General of Financial Institutions of the Province of Quebec pursuant to Section 123.118 of the Companies Act of Quebec.

99.1 Press release of the Registrant dated March 16, 1999.

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.

Dated: March 31, 1999

AUTODESK, INC.

/s/ Steve Cakebread

Steve Cakebread
Vice President and Chief Financial Officer (Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Document
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2.2	Second Amended and Restated Amalgamation Agreement by and among Discreet Logic Inc., 9066-9854 Quebec Inc., 9066-9771 Quebec Inc. and the Registrant dated as of January 18, 1999.
2.3	Articles of Amalgamation filed with the Inspector General of Financial Institutions of the Province of Quebec pursuant to Section 123.118 of the Companies Act of Quebec.
99.1	Press release of the Registrant dated March 16, 1999.

EXHIBIT 2.1

SECOND AMENDED AND RESTATED

AGREEMENT AND PLAN OF ACQUISITION AND AMALGAMATION

BY AND AMONG

AUTODESK, INC.,

AUTODESK DEVELOPMENT B.V.,

9066-9771 QUEBEC INC.,

AUTODESK CANADA INC.,

9066-9854 QUEBEC INC.

and

DISCREET LOGIC INC.

Dated as of November 18, 1998

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SECOND AMENDED AND RESTATED AGREEMENT AND PLAN OF ACQUISITION AND AMALGAMATION

This Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation, dated as of November 18, 1998 (the "Agreement"), is entered into by and among Autodesk, Inc., a Delaware corporation ("Parent"), Autodesk Development B.V., a Netherlands corporation and indirect wholly owned subsidiary of Parent ("Dutchco"), 9066-9771 Quebec Inc., a Quebec company and a wholly owned subsidiary of Dutchco ("Amalgamation Sub"), Autodesk Canada Inc., an Ontario company and wholly owned subsidiary of Parent ("ACI"), 9066-9854 Quebec Inc., a Quebec company and indirect wholly owned subsidiary of Parent ("Giants Quebec"), and Discreet Logic Inc., a Quebec company (the "Company").

Witnesseth:

Whereas, the Boards of Directors of Parent, Dutchco and the Company have each determined that it is advisable and in the best interests of their respective stockholders for Dutchco to acquire shares in the share capital of the Company upon the terms and subject to the conditions set forth herein;

Whereas, in furtherance of such acquisition, Parent, Dutchco, Amalgamation Sub, Giants Quebec, ACI and the Company entered into an Agreement and Plan of Acquisition and Arrangement dated as of August 20, 1998 (the "Original Agreement"), which was subsequently amended and restated in its entirety by the parties in the Amended and Restated Agreement and Plan of Acquisition and Amalgamation dated as of September 23, 1998 (the "Exisiting Agreement");

Whereas, the Boards of Directors of Parent, Dutchco, Amalgamation Sub, Giants Quebec, ACI and the Company now desire to amend and restate the Existing Agreement and have each approved the execution and delivery of this Agreement in order to provide for a business combination involving the amalgamation (the "Amalgamation") of Amalgamation Sub, Giants Quebec (to which ACI will assign, prior to the Amalgamation, substantially all its assets) and the Company whereupon each outstanding common share in the Company's share capital (the "Company Common Shares") shall be converted into one Class B Share of the continuing corporation resulting from the Amalgamation (the "Continuing Corporation");

Whereas, Articles of Amalgamation (the "Articles") will be filed pursuant to Section 123.118 of the Companies Act (Quebec) (the "Quebec Act"), pursuant to the terms hereof and the Amended and Restated Amalgamation Agreement (the "Amalgamation Agreement") in the form annexed hereto as Exhibit A;

Whereas, immediately following the Amalgamation, the Class B Shares of the Continuing Corporation automatically will be, based on the prior election of the holder, either (i) redeemed by the Continuing Corporation for 0.48 (the "Exchange Ratio") exchangeable shares in the share capital of the Continuing Corporation (the "Exchangeable Shares"), subject to proration in certain instances, or (ii) converted into units comprised of one Class E Share and one Class F Share of the Continuing Corporation ("Units"), which units will be acquired by Dutchco in exchange for 0.48 shares of common stock, par value $0.01 per share, of Parent ("Parent Common Shares"), in either case without further action on the part of the holder;

Whereas, the Exchangeable Shares are exchangeable by the holders for Parent Common Shares on a one-for-one basis at any time on or before a date eleven (11) years after the Effective Time (as defined herein), and

Whereas, for accounting purposes, it is intended that the Transactions (as defined in Section 1.1 hereof) shall be accounted for as a taxable pooling of interests under United States generally accepted accounting principles ("US GAAP");

Now, Therefore, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Dutchco, ACI, Giants Quebec, Amalgamation Sub (collectively, the "Parent Group") and the Company hereby agree as follows:

ARTICLE I

The Transactions

1.1 The Transactions.

(a) Effective Time. Subject to and upon the terms and conditions of the Ancillary Documents (as defined in Section 5.17), this Agreement, the Articles and the Quebec Act, (i) at the Effective Time (as defined in Section 1.2 hereof), Amalgamation Sub and Giants Quebec shall be amalgamated with the Company (provided, however, that the Company shall not be required to amalgamate with Amalgamation Sub unless Giants Quebec simultaneously amalgamates with Amalgamation Sub, and Giants Quebec shall not be required to amalgamate with Amalgamation Sub unless the Company simultaneously amalgamates with Amalgamation Sub) and (ii) immediately following the Effective Time, the Class B Shares of the Continuing Corporation automatically shall, based on the prior election of the holder, either (x) be redeemed by the Continuing Corporation for Exchangeable Shares of the Continuing Corporation or (y) be converted into Units which Units shall be acquired by Dutchco in exchange for shares of Parent Common Stock, in either case without further action on the part of the holder (such redemptions, conversions and share acquisitions set forth in clause (ii), together with the Amalgamation, are collectively referred to herein as the "Transactions"). Prior to the Effective Time, ACI will assign and transfer all of its assets and liabilities to Giants Quebec.

(b) Closing. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Section 7.1 hereof, and subject to the satisfaction or waiver of the conditions set forth in Article VI hereof, the consummation of the Transactions will take place as promptly as practicable after satisfaction or waiver of the conditions set forth in Article VI hereof, at the offices of Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California, unless another date, time or place is agreed to in writing by the parties hereto. At the closing, the parties hereto shall deliver the documents contemplated hereby together with such other customary documents as may be reasonably requested by the parties.

1.2 Effective Time. As promptly as practicable after the satisfaction or waiver of the conditions set forth in Article VI, the parties hereto shall cause the Amalgamation to be consummated by filing the Articles together with the documents contemplated by Section 123.14 of the Quebec Act, with the Inspector General of Financial Institutions of the Province of Quebec (the "Inspector General"), in such form as required by, and executed in accordance with the relevant provisions of, the Quebec Act. The Amalgamation will become effective at such time and on such date shown on the Certificate of Amalgamation issued by the Inspector General (the "Effective Time").

1.3 Share Conversions, Etc. Immediately following the Class B Conversion Time (as defined in Appendix A to the Amalgamation Agreement), Dutchco and Parent shall cause the Continuing Corporation to provide notice of its intention to exercise its right to redeem the Class E Shares and Class F Shares of the Continuing Corporation (as specified in Appendix A to the Amalgamation Agreement). At or prior to the Class E Redemption Time and the Class F Redemption Time, Dutchco shall, and Parent shall cause Dutchco to, exercise the Class E Redemption Call Right and the Class F Redemption Call Right (as each is defined in Appendix A to the Amalgamation Agreement).

1.4 Accounting Consequences. It is intended by the parties hereto that the Transactions shall qualify for accounting treatment as a pooling of interests under US GAAP.

1.5 Material Adverse Effect. When used in connection with the Company, or Parent, as the case may be, the term "Material Adverse Effect" means any change or effect that, individually or when taken together with all other such changes or effects that have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, is or is reasonably likely to be materially adverse to the business, assets (including intangible assets), financial condition or results of operations of the Company and its subsidiaries or Parent and its subsidiaries, as the case may be, in each case taken as a whole; provided, however, that none of the following

shall be deemed to constitute a Material Adverse Effect with respect to either party: (a) any change in the market price or trading volume of the Company Common Shares or Parent Common Shares, as appropriate; (b) any adverse effect on the bookings, revenues or earnings of such party, or any delay in or reduction or cancellation of such party's product orders, following the execution of the Original Agreement, the Existing Agreement or this Agreement which is reasonably attributable to the announcement of the execution of the Original Agreement, the Existing Agreement or this Agreement and the transactions contemplated hereby; (c) any change arising out of conditions affecting the economy or industry of such party in general; (d) the failure, in and of itself, to meet analysts' expectations (it being understood that the underlying causes of such failure shall not be excluded from the definition of Material Adverse Effect except as otherwise provided in this definition); or (e) employee attrition which is (i) reasonably attributable to the announcement of the execution of the Original Agreement, the Existing Agreement or this Agreement and the transactions contemplated hereby, or (ii) directly attributable to any action directly required of the Company by Parent under Section 4.1, or any omission of the Company directly resulting from Parent's failure to consent to actions requested to be taken by the Company under Section 4.1.

1.6 Adjustments to Exchange Ratio. The Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Parent Common Shares or Company Common Shares), reorganization, recapitalization or other like change with respect to Parent Common Shares or Company Common Shares occurring after the date hereof and prior to the Effective Time.

1.7 Cancellation. Immediately prior to the Effective Time, each Company Common Share owned by Parent, Dutchco, Amalgamation Sub or any direct or indirect wholly owned subsidiary of the Company or Parent shall be purchased for cancellation by the Company for nominal consideration.

1.8 Share Certificates of Amalgamation Sub and Giants Quebec. Each share certificate of Amalgamation Sub evidencing ownership of any common shares of Amalgamation Sub shall continue to evidence ownership of Class A Shares in the share capital of the Continuing Corporation, and each share certificate of Giants Quebec evidencing ownership of any common shares of Giants Quebec shall continue to evidence ownership of Class C Shares in the share capital of the Continuing Corporation. Any reference herein to classes of shares in the share capital of the Continuing Corporation shall mean the classes of shares set out in Appendix A to the Amalgamation Agreement.

1.9 Execution of Amalgamation Agreement. Concurrently herewith, Amalgamation Sub, Autodesk Quebec and the Company shall execute and deliver the Amalgamation Agreement.

1.10 Tax Treatment. It is intended that the Transactions shall generally constitute (i) a taxable exchange for United States federal income tax purposes (not qualifying under Sections 368 or 351 of the United States Internal Revenue Code of 1986, as amended (the "Code")) to holders of Company Common Shares who are otherwise subject to taxation in the United States on the sale or exchange of Company Common Shares, and (ii) a non-taxable exchange for Canadian federal income tax purposes for owners of Company Common Shares who are residents of Canada for Canadian federal income tax purposes who elect to receive Exchangeable Shares (but only to the extent they actually receive Exchangeable Shares and only to the extent that they file appropriate elections with the relevant tax authorities), which election the parties hereto intend shall be permitted only to the extent that the aggregate percentage of Company Common Shares exchanged for Exchangeable Shares pursuant to all such elections shall not exceed 19.99 percent of the Company Common Shares outstanding immediately prior to the Effective Time.

1.11 Existing Agreement and Original Agreement Terminated. This Agreement amends and restates in its entirety the Existing Agreement and the Original Agreement. Accordingly, upon the execution and delivery hereof by the parties, the Existing Agreement and the Original Agreement shall be terminated in all respects and be of no further force or effect.

ARTICLE II

Representations And Warranties Of The Company

The term "knowledge" as used in connection with the Company shall mean the Company's actual knowledge after reasonable inquiry of officers, directors and other employees of the Company charged with senior administrative or operational responsibility of such matters. The Company hereby represents and warrants to each member of the Parent Group as of the date of the Original Agreement (except for the representations and warranties contained in Sections 2.4, 2.5(b), 2.5(c), 2.7(a), 2.7(b) and 2.23, which are made as of the date of this Agreement), subject to the written disclosure schedule supplied by the Company to Parent dated as of the date of the Original Agreement and certified by a duly authorized officer of the Company (the "Company Disclosure Schedule"), that:

2.1 Organization and Qualification; Subsidiaries. The Company and, except as set forth on Schedule 2.1 of the Company Disclosure Schedule, each of its subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the requisite corporate power and authority and is in possession of all material franchises, grants, authorizations, licenses, permits, easements, consents, certificates, approvals and orders (collectively, "Approvals") necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to be so organized, existing and in good standing or to have such power, authority and Approvals would not have a Material Adverse Effect. The Company and each of its subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of its properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not have a Material Adverse Effect. A true and complete list of all of the Company's subsidiaries, together with the jurisdiction of incorporation or organization of each subsidiary and the percentage of each subsidiary's outstanding capital stock owned by the Company or another subsidiary, is set forth in Schedule 2.1 of the Company Disclosure Schedule. Except as set forth in Schedule 2.1 of the Company Disclosure Schedule, the Company does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity.

2.2 Articles of Incorporation and By-Laws. The Company has heretofore furnished to Parent a complete and correct copy of its Articles of Incorporation and By-Laws, as amended through August 20, 1998, and has made available to Parent the equivalent organizational documents of each of its subsidiaries. Such Articles of Incorporation, By-Laws and equivalent organizational documents of each of its subsidiaries are in full force and effect. Except as set forth on Schedule 2.2 of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is in violation of any of the provisions of its Articles of Incorporation or By-Laws or equivalent organizational documents.

2.3 Capitalization. The authorized share capital of the Company consists of an unlimited number of Company Common Shares and an unlimited number of preferred shares, no par value (the "Company Preferred Shares"). As of August 10, 1998, (i) 29,653,313 Company Common Shares were issued and outstanding, all of which are validly issued, fully paid and nonassessable, (ii) no Company Common Shares were held by subsidiaries of the Company, (iii) 5,012,924 Company Common Shares were reserved for future issuance pursuant to option grants under the Company's Amended and Restated 1994 Restricted Stock and Stock Option Plan, of which options to purchase 3,505,716 Company Common Shares are outstanding, (iv) 111,779 Company Common Shares were reserved for future issuance under the Company's 1995 Employee Stock Purchase Plan, (v) 200,000 Company Common Shares were reserved for future issuance pursuant to option grants under the Company's 1995 Non-Employee Director Stock Option Plan, of which options to purchase 140,000 Company Common Shares are outstanding, (vi) 20,000 Company Common Shares were reserved for future issuance pursuant to option grants under the Company's 1997 Special Limited Non-Employee Director Stock Plan, of

which options to purchase 20,000 Company Common Shares are outstanding, and (vii) no Company Preferred Shares were issued or outstanding. Except as set forth in Schedule 2.3 of the Company Disclosure Schedule, no material change in such capitalization has occurred between August 10, 1998 and August 20, 1998, except for the issuance of shares under the exercise of options, warrants or other rights outstanding prior to August 10, 1998. Except as set forth in this Section 2.3 or Section 2.10 hereof or in Schedule 2.3 or Schedule 2.10 of the Company Disclosure Schedule, there are no options, warrants or other rights, agreements, arrangements or commitments of any character relating to the issued or unissued capital stock of the Company or any of its subsidiaries obligating the Company or any of its subsidiaries to issue or sell any shares of share capital of, or other equity interests in, the Company or any of its subsidiaries. All Company Common Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be duly authorized, validly issued, fully paid and nonassessable. Except as set forth in Schedule 2.3 of the Company Disclosure Schedule, there are no obligations, contingent or otherwise, of the Company or any of its subsidiaries (A) to repurchase, redeem or otherwise acquire any shares of the share capital of the Company or the capital stock of any subsidiary or (B) except for the provision of operational expenses to subsidiaries in the ordinary course of business consistent with past practice, to provide funds or to make any investment (in the form of a loan, capital contribution or otherwise) in any such subsidiary or any other entity other than guarantees of bank and capital or other lease obligations of subsidiaries entered into in the ordinary course of business. All of the outstanding shares of capital stock of each of the Company's subsidiaries are duly authorized, validly issued, fully paid and nonassessable, and all such shares are owned by the Company or another subsidiary free and clear of all security interests, liens, claims, pledges, agreements, limitations in the Company's voting rights, charges or other encumbrances of any nature whatsoever which would have a Material Adverse Effect.

2.4 Authority. The Company has all necessary corporate power and authority to execute and deliver this Agreement and the Amalgamation Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Amalgamation Agreement by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Amalgamation Agreement or to consummate the Transactions, other than the approval and adoption of this Agreement and confirmation of by-law No. 1998-1 approving the Amalgamation by the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding Company Common Shares who are permitted to, and who, vote at the Company Shareholders' Meeting (as defined in Section 2.12 hereof) in accordance with the Quebec Act. The Board of Directors of the Company has determined that it is advisable and in the best interests of the Company's shareholders for the Company to enter into a business combination with Parent upon the terms and subject to the conditions of this Agreement and to recommend that the shareholders of the Company approve same. This Agreement and the Amalgamation Agreement have each been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery of each such agreement by each member of the Parent Group, as applicable, each such agreement constitutes a legal, valid and binding obligation of the Company.

2.5 No Conflict; Required Filings and Consents.

(a) Schedule 2.5(a) of the Company Disclosure Schedule sets forth all agreements necessary to the current operation of the business of the Company, excluding (i) employment agreements, standard end user license agreements and standard distribution agreements; (ii) purchase orders, procurement contracts and other similar agreements entered into in the ordinary course of business; (iii) agreements which call for the payment or receipt of less than $200,000 over a three-year period; (iv) agreements disclosed in Schedule 2.18 of the Company Disclosure Schedule; or (v) agreements filed with the United States Securities and Exchange Commission ("SEC") pursuant to the requirements under Item 601(b) of Regulation S-K.

(b) The execution and delivery of this Agreement and the Amalgamation Agreement by the Company do not, and the performance of this Agreement and the Amalgamation Agreement by the Company will not, (i) conflict with or violate the Articles of Incorporation or By-Laws or equivalent organizational documents of the Company or any of its subsidiaries, (ii) conflict with or violate any law, rule, regulation, order, judgment or

decree applicable to the Company or any of its subsidiaries or by which its or any of their respective properties is bound or affected, or (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default), or impair the Company's or any of its subsidiaries' rights or, to the Company's knowledge, alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement (each, a "Covered Agreement") disclosed in Schedule 2.5(a) and Schedule 2.18 of the Company Disclosure Schedule or filed as a "material contract" with the SEC pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the SEC's rules thereunder (collectively, the "Exchange Act"), or result in the creation of a lien or encumbrance on any of the properties or assets of the Company or any of its subsidiaries pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or its or any of their respective properties is bound or affected, except in the case of (ii) and (iii) for any such conflicts, violations, breaches, defaults, terminations, cancellations or accelerations which would not have a Material Adverse Effect.

(c) The execution and delivery of this Agreement and the Amalgamation Agreement by the Company do not, and the performance of the transactions contemplated hereby and thereby will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, to be made or obtained by the Company, except (i) for applicable requirements, if any, of the Securities Act of 1933, as amended, and the SEC's rules thereunder (the "Securities Act"), the Exchange Act, state securities laws ("Blue Sky Laws"), the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the Securities Act (Quebec) (the "QSA") and other relevant Canadian securities statutes, filing with Industry Canada under the Investment Canada Act (Canada), filing under the Competition Act (Canada) and the filing and recordation of appropriate documents as required by the Quebec Act in connection with the Transactions and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Transactions, or otherwise prevent or materially delay the Company from performing its obligations under this Agreement and the Amalgamation Agreement, or would not otherwise have a Material Adverse Effect.

2.6 Compliance; Permits.

(a) Neither the Company nor any of its subsidiaries is in conflict with, or in default or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to the Company or any of its subsidiaries or by which its or any of their respective properties is bound or affected or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or its or any of their respective properties is bound or affected, except for any such conflicts, defaults or violations which would not have a Material Adverse Effect.

(b) Except as disclosed in Schedule 2.6(b) of the Company Disclosure Schedule, the Company and its subsidiaries, but only to the extent material to the operation of the business of the Company and the subsidiaries, as a whole, hold all permits, licenses, easements, variances, exemptions, consents, certificates, orders and approvals from governmental authorities that are material to the operation of the business of the Company as operated on August 20, 1998 (collectively, the "Company Permits"). The Company and its subsidiaries, but only to the extent material to the operation of the business of the Company and the subsidiaries, as a whole, are in compliance with the terms of the Company Permits, except where the failure to so comply would not have a Material Adverse Effect.

2.7 SEC Filings; Financial Statements.

(a) The Company has filed all forms, reports and documents required to be filed by the Company with the SEC since July 6, 1995 and has made available to Parent (i) its Transition Report on Form 10-K for the eleven-month period ended June 30, 1997, (ii) its Quarterly Reports on Form 10-Q for the three-month periods ended September 30, 1997, December 31, 1997, March 31, 1998 and September 30, 1998, respectively, (iii) all proxy

statements relating to the Company's meetings of stockholders (whether annual or special) held since July 6, 1995, (iv) all other reports or Registration Statements (other than Reports on Form 10-Q not referred to in clause (ii) above and Reports on Form 3, 4 or 5 or registration statements on Form S-8) filed by the Company with the SEC since July 6, 1995, and (v) all amendments and supplements to all such reports and registration statements filed by the Company with the SEC (collectively, the "Company SEC Reports"). The Company SEC Reports (i) were prepared in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, in all material respects, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such amending or superseding filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date hereof, none of the Company's subsidiaries is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the Company SEC Reports was prepared in accordance with US GAAP applied on a consistent basis throughout the periods involved (except as may be indicated therein or in the notes thereto or, in the case of unaudited financial statements, as permitted by Form 10-Q of the SEC) and each fairly presented in all material respects the consolidated financial position of the Company and its subsidiaries as at the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount.

(c) The unaudited financial statements of the Company for its fiscal year ended June 30, 1998 included in Schedule 2.7(b) of the Company Disclosure Schedule (the "Company Financial Statements") reflect in all material respects the financial position of the Company as of June 30, 1998 and were prepared in accordance with US GAAP, except for the absence of a statement of shareholders' equity, a statement of cash flow, and in each case, the absence of notes thereto and of any subsequent events or similar such notations that may require a change in the financial statements.

(d) The Company has hereto furnished to Parent a complete and correct copy of any amendments or modifications which have not yet been filed with the SEC but which are required to be filed, to agreements, documents or other instruments which previously had been filed by the Company with the SEC pursuant to the Securities Act or the Exchange Act.

(e) The Company is not a "reporting issuer" or its equivalent for the purposes of the QSA or any other Canadian provincial securities legislation.

2.8 Absence of Certain Changes or Events. Except as set forth in Schedule 2.8 of the Company Disclosure Schedule and in the Company SEC Reports, since June 30, 1998, the Company has conducted its business in the ordinary course and since such date and through August 20, 1998, there has not occurred any Material Adverse Effect. In addition, since such date there has not been (i) any amendment or change in the Articles of Incorporation or By-Laws of the Company, (ii) any damage to, destruction or loss of any assets of the Company (whether or not covered by insurance) that could have a Material Adverse Effect, (iii) any revaluation by the Company of any of its assets resulting in or reasonably likely to have a Material Adverse Effect, including, without limitation, writing down the value of capitalized software or inventory or writing off notes or accounts receivable other than in the ordinary course of business, (iii) except as disclosed in Schedule 2.8 of the Company Disclosure Schedule, any other action or event that would have required the consent of Parent pursuant to Section 4.1 hereof had such action or event occurred after the date of this Agreement and that would be reasonably likely to have a Material Adverse Effect.

2.9 Absence of Litigation. Except as set forth in Schedule 2.9 of the Company Disclosure Schedule or the Company SEC Reports, there are no claims, actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries, or any properties of the Company or any of its subsidiaries or the Company Intellectual Property Rights (as defined in Section 2.18), before any court, tribunal, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign, that is reasonably likely to have a Material Adverse Effect.

2.10 Employee Benefit Plans; Employment Agreements.

(a) The Company has made available to Parent all employee benefit plans (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA")), regardless of whether ERISA is applicable thereto, all other bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance or termination pay, or medical, life or other insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plans, agreements or arrangements and other similar material fringe or employee benefit plans, programs or arrangements (including those sponsored by the federal or any provincial government of Canada, collectively "Government Sponsored or Mandated Plans") and any current or former employment or executive compensation or severance agreements, written or otherwise, for the benefit of, or relating to, any employee of the Company, any trade or business (whether or not incorporated) which is a member of a controlled group including the Company or which is under common control with the Company (an "ERISA Affiliate") within the meaning of Section 414 of the Code, or any subsidiary of the Company, as well as each plan with respect to which the Company or an ERISA Affiliate could incur liability if such plan has been or were terminated (together, the "Employee Plans"), and a copy of each such written Employee Plan has been made available to Parent.

(b) (i) Except as set forth in Schedule 2.10(b) of the Company Disclosure Schedule, none of the Employee Plans promises or provides retiree medical or other retiree welfare benefits to any person and none of the Employee Plans is a "multiemployer plan" as such term is defined in Section 3(37) of ERISA; (ii) there has been no transaction or failure to act with respect to any Employee Plan, which could result in any material liability of the Company or any of its subsidiaries; (iii) all Employee Plans are in compliance in all material respects with the requirements prescribed by any and all statutes, orders, or governmental rules and regulations currently in effect with respect thereto, and the Company and each of its subsidiaries have performed all material obligations required to be performed by them under, are not in any material respect in default under or in violation of, and have no knowledge of any material default or violation by any other party to, any of the Employee Plans; (iv) each Employee Plan intended to qualify under Section 401(a) of the Code and each trust intended to qualify under Section 501(a) of the Code is the subject of a favorable determination letter from the United States Internal Revenue Service (the "IRS"), and so far as the Company is aware nothing has occurred which may reasonably be expected to impair such determination; (v) all contributions required to be made to any Employee Plan, under the terms of the Employee Plan or any collective bargaining agreement, have been made on or before their due dates and a reasonable amount has been accrued for contributions to each Employee Plan for the current plan years; (vi) with respect to each Employee Plan subject to Title IV of ERISA, no "reportable event" within the meaning of Section 4043 of ERISA (excluding any such event for which the thirty (30) day notice requirement has been waived under the regulations to Section 4043 of ERISA) nor any event described in Section 4062, 4063 or 4041 of ERISA has occurred; and (vii) neither the Company nor any ERISA Affiliate has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than liability for premium payments to the United States Pension Benefit Guaranty Corporation arising in the ordinary course).

(c) Each Employee Plan that is required or intended to be qualified under applicable law or registered or approved by a governmental agency or authority has been so qualified, registered or approved by the appropriate governmental agency or authority if required to obtain such qualification, registration or approval, and, to the Company's knowledge, nothing has occurred since the date of the last qualification, registration or approval to adversely affect, or cause, the appropriate governmental agency or authority to revoke such qualification, registration or approval.

(d) All contributions (including premiums) required by law or contract to have been made or approved by the Company under or with respect to the Employee Plans have been paid or accrued by the Company, except as would not have a Material Adverse Effect. Without limiting the foregoing, there are no material unfunded liabilities under any Employee Plan.

(e) There are no pending or, to the Company's knowledge, threatened investigations, litigation or other enforcement actions against the Company with respect to any of the Employee Plans.

(f) There are no actions, suits or claims pending or, to the knowledge of the Company, threatened by former or present employees of the Company (or their beneficiaries) with respect to the Employee Plans or the assets or fiduciaries thereof (other than routine claims for benefits).

(g) Except as set forth in Schedule 2.10(g) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries maintains any 401(k) or other type of pension plan subject to Section 401(a) of the Code in the United States.

(h) No condition or event has occurred with respect to the Employee Plans which has or could reasonably be expected to result in a material liability to the Company.

(i) Schedule 2.10(i) of the Company Disclosure Schedule sets forth, as of August 10, 1998, a true and complete list of each current or former employee, officer or director of the Company or any of its subsidiaries who holds any option to purchase Company Common Shares as of August 20, 1998, together with the number of Company Common Shares subject to such option, the date of grant of such option, the extent to which such option is vested, the option price of such option (to the extent determined as of the date hereof), whether such option is intended to qualify as an incentive stock option within the meaning of Section 422(b) of the Code (an "ISO"), and the expiration date of such option. Schedule 2.10(i) of the Company Disclosure Schedule also sets forth the total number of such ISOs and such nonqualified options.

(j) The Company has made available to Parent and Dutchco (i) copies of all employment agreements with executive officers of the Company; (ii) copies of all agreements with consultants who are individuals obligating the Company to make annual cash payments in an amount exceeding US $100,000; (iii) a schedule listing all officers of the Company who have executed a non-competition agreement with the Company; (iv) copies of all severance agreements, programs and policies of the Company, if any, with or relating to its employees; (v) copies of all plans, programs, agreements and other arrangements of the Company with or relating to its employees which contain change in control provisions; and (vi) the form of standard employment agreement of the Company for its non-executive employees.

2.11 Labor Matters. (i) There are no actions or proceedings pending or, to the knowledge of the Company, threatened between the Company or any of its subsidiaries and any of their respective employees, which have or may have a Material Adverse Effect; (ii) neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any of its subsidiaries nor does the Company or any of its subsidiaries know of any activities or proceedings of any labor union to organize any such employees; and (iii) neither the Company nor any of its subsidiaries has any knowledge of any strikes, slowdowns, work stoppages, lockouts, or threats thereof, by or with respect to any employees of the Company or any of its subsidiaries.

2.12 Registration Statement; Joint Proxy Statement. None of the information to be supplied by the Company in writing for inclusion or incorporation by reference in (i) the registration statement on Form S-4 (the "Form S-4") to be filed with the SEC by Parent in connection with the (A) sale of Parent Common Shares by Dutchco to holders of Units in exchange for such Units, and (B) issuance of Exchangeable Shares by the Continuing Corporation, (ii) the proxy statement relating to the general special meeting of the Company's shareholders (the "Company Shareholders' Meeting") and the proxy statement relating to the special meeting of Parent's stockholders (the "Parent Stockholders' Meeting") to be held in connection with the Transactions (collectively, the "Joint Proxy Statement" and, together with the Form S-4, the "Joint Proxy Statement/Prospectus"), and (iii) any other document to be filed with the SEC or any regulatory agency by any member of the Parent Group or the Company in connection with the transactions contemplated by this Agreement (the "Other Filings") will, (A) at the respective times such documents are filed with the SEC or other regulatory agency, (B) in the case of the Joint Proxy Statement/Prospectus, at the date it or any amendments or supplements thereto are mailed to stockholders, at the time of the Company Shareholders' Meeting and at the Effective Time and (C) in the case of the Form S-4, when it becomes effective under the Securities Act, at the Effective Time and on the date of any post-effective amendment thereto, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement (as it relates to the Company Shareholders' Meeting) will comply as to form in all material respects with the applicable provisions of the Quebec Act and the Exchange Act. If at any time prior to the Effective Time any event relating to the Company or any of its respective affiliates, officers or directors should be discovered by the Company which should be set forth in an amendment to the Form S-4 or a supplement to the

Joint Proxy Statement, the Company shall promptly inform Parent. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by any member of the Parent Group which is contained in any of the foregoing documents. No requirements of any Canadian provincial securities legislation govern the contents or mailing of the Joint Proxy Statement nor the holding of the Company Shareholders' Meeting.

2.13 Restrictions on Business Activities. Except for this Agreement, there is no material agreement, judgment, injunction, order or decree binding upon the Company or any of its subsidiaries which has or could reasonably be expected to have the effect of prohibiting or impairing any material business practice of the Company or any of its subsidiaries, the acquisition of property by the Company or any of its subsidiaries or the conduct of business by the Company or any of its subsidiaries as currently conducted.

2.14 Title to Property. Schedule 2.14 of the Company Disclosure Schedule sets forth a true and complete list of all real property (i) owned by the Company or any of its subsidiaries or (ii) leased by the Company or any of its subsidiaries requiring annual lease payments of more than US $100,000 ("Material Leases"), and the aggregate monthly rental or other fee payable under such Material Lease. The Company and each of its subsidiaries have good and valid title to all of their properties and assets free and clear of all liens, charges and encumbrances except (i) liens for Taxes not yet due and payable, (ii) such liens or other imperfections of title, if any, as do not materially detract from the value of or interfere with the present use of the property affected thereby, (iii) liens securing debt which is reflected on the balance sheet of the Company at June 30, 1998 included in the Company Financial Statements, or (iv) liens which would not have a Material Adverse Effect; and all Material Leases are in good standing, valid and effective in accordance with their respective terms, and there is not, under any of such leases, any existing material default or event of default as to the Company or its subsidiaries (or event which with notice or lapse of time, or both, would constitute a material default and in respect of which the Company or such subsidiary has not taken adequate steps to prevent such a default from occurring) except where the lack of such good standing, validity and effectiveness or the existence of such default or event of default would not have a Material Adverse Effect. All the facilities of the Company and its subsidiaries used in the operation of their businesses, except such as may be under construction, are in good operating condition and repair, except where the failure of such plants, structures and equipment to be in such good operating condition and repair would not, individually or in the aggregate, have a Material Adverse Effect.

2.15 Taxes.

(a) For purposes of this Agreement, "Tax" or "Taxes" shall mean taxes, fees, levies, duties, tariffs, imposts, premiums and governmental impositions or charges of any kind in the nature of (or similar to) taxes, payable to any federal, state, provincial, local or foreign taxing authority, including (without limitation) (i) income, capital, business, franchise, profits, gross receipts, ad valorem, goods and services, customs, net worth, value added, sales, use, service, real or personal property, special assessments, capital stock, license, payroll, withholding, employment, social security, workers' compensation, unemployment insurance or compensation, utility, severance, production, excise, stamp, occupation, premiums, environmental, recapture, windfall profits, transfer and gains taxes, fees, levies, duties, tariffs, imposts, premiums and governmental impositions and (ii) interest, penalties, additional taxes and additions to tax imposed with respect thereto; and "Tax Returns" shall mean returns, reports, declarations, and information statements with respect to Taxes required to be filed with Revenue Canada, Ministere du Revenu du Quebec ("Revenue Quebec"), the Internal Revenue Service ("IRS") or any other taxing authority, domestic or foreign, including, without limitation, consolidated, combined and unitary tax returns.

(b) Except as disclosed in Schedule 2.15(b) of the Company Disclosure Schedule, the Company and its subsidiaries have filed or caused to be filed all Tax Returns required to be filed by them, except to the extent the failure to file such Tax Returns would not have a Material Adverse Effect, and the Company and its subsidiaries have paid and discharged or caused to be paid and discharged all Taxes due in connection with or with respect to the filing of all Tax Returns and have paid all other Taxes as are due, and there are no other Taxes that would be due if asserted by a taxing authority, except such Taxes as are being contested in good faith by appropriate proceedings (to the extent that any such proceedings are required) and with respect to which the

Company is maintaining reserves to the extent currently required in all material respects adequate for their payment except to the extent the failure to maintain such reserves or pay such Taxes would not have a Material Adverse Effect. Except as disclosed in Schedule 2.15(b) of the Company Disclosure Schedule, none of Revenue Canada, Revenue Quebec, the IRS or any other taxing authority or agency is now asserting or, to the Company's knowledge, threatening to assert against the Company or any of its subsidiaries any deficiency or claim for additional Taxes other than additional Taxes with respect to which the Company is maintaining reserves in all material respects adequate for their payment, and, to the Company's knowledge, there are no requests for information currently outstanding that could affect the Taxes of the Company or any of its subsidiaries. Except as disclosed in Schedule 2.15(b) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is currently being audited or examined by any taxing authority, nor has the Company received any written notice that any Tax Return will undergo any audit or examination or that such an audit or examination is threatened. Except as disclosed in Schedule 2.15(b) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries has, except as would not have a Material Adverse Effect, granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax. The accruals and reserves for Taxes reflected in the Company Financial Statements are in all material respects adequate to cover all Taxes accruable through the date thereof (including interest and penalties, if any, thereon and Taxes being contested) in accordance with generally accepted accounting principles. No liability for Taxes has been incurred (or prior to the Effective Time will be incurred) since such date other than in the ordinary course of business except (i) as would not have a Material Adverse Effect or (ii) attributable to the transactions contemplated hereby. Except as disclosed in Schedule 2.15(b) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is required to include in income (i) items in respect of any change in accounting principles or (ii) any installment sale gain, where the inclusion in income would result in a tax liability materially in excess of the reserves therefor.

(c) The Company on behalf of itself and all its subsidiaries hereby represents that, other than as disclosed on Schedule 2.15(c) of the Company Disclosure Schedule, and other than with respect to items the inaccuracy of which would not have a Material Adverse Effect: (i) neither the Company nor any of its subsidiaries is a party to any agreement, contract or arrangement that may result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code, determined without regard to Section 280G(b)(4) of the Code and (ii) neither the Company nor any of its subsidiaries has participated in or cooperated with a boycott under Section 999 of the Code.

(d) Except as disclosed in Schedule 2.15(d) of the Company Disclosure Schedule, no power of attorney has been granted by the Company or any of its subsidiaries with respect to any matter relating to Taxes which is currently in force.

(e) Except as disclosed in Schedule 2.15(e) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is a party to any agreement or arrangement (written or oral) providing for the allocation or sharing of Taxes.

(f) Except as disclosed in Schedule 2.15(f) of the Company Disclosure Schedule, the Company and each of its subsidiaries have reported and withheld from each payment made to any of their respective past or present employees, officers, directors or non-residents of Canada the amount of all Taxes and other material deductions required to be withheld therefrom and have paid the same to the proper tax or other receiving officers within the time required under any applicable legislation except where failure to do so would not have a Material Adverse Effect.

(g) Except as disclosed in Schedule 2.15(g) of the Company Disclosure Schedule, the Company has remitted to the appropriate tax authority when required by law to do so all amounts collected by it on account of all Taxes under Part IX of the Excise Tax Act and retail sales tax except where failure to do so would not have a Material Adverse Effect.

(h) Except as would not have a Material Adverse Effect on the Company, the Company has not deducted any material amounts in computing its income in a taxation year which may be included in a subsequent taxation year under Section 78 of the Income Tax Act (Canada).

(i) Except as disclosed in Schedule 2.15(i) of the Company Disclosure Schedule, the Company has not requested or received a ruling from any taxing authority or signed a closing or other agreement with any taxable authority which could have a Material Adverse Effect.

(j) Except as would not have a Material Adverse Effect on the Company, to the Company's knowledge, no circumstances exist which would make the Company or any subsidiary subject to the application of any of sections 79 to 80.04 of the Income Tax Act (Canada). Neither the Company nor any of its subsidiaries have acquired property or services from, or disposed of property or provided services to, a person with whom it does not deal at arm's length (within the meaning of the Income Tax Act (Canada)) for an amount that is other than the fair market value of such property or services, or has been deemed to have done so for purposes of the Income Tax Act (Canada).

2.16 Environmental Matters. Except in all cases as have not had and could not reasonably be expected to have a Material Adverse Effect, to the knowledge of the Company, the Company and each of its subsidiaries: (i) have obtained all applicable permits, licenses and other authorization which are required under federal, state, provincial or local laws relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or hazardous or toxic materials or wastes into ambient air, surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes by the Company or its subsidiaries (or their respective agents); (ii) are in compliance with all terms and conditions of such required permits, licenses and authorization, and also are in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in such laws or contained in any regulation, code, plan, order, decree, judgment, notice or demand letter issued, entered, promulgated or approved thereunder; and (iii) are not aware of nor have received notice of any event, condition, circumstance, activity, practice, incident, action or plan which is reasonably likely to interfere with or prevent continued compliance with or which would give rise to any common law or statutory liability, or otherwise form the basis of any claim, action, suit or proceeding, based on or resulting from the Company's or any of its subsidiary's (or any of their respective agent's) manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge or release into the environment, of any pollutant, contaminant or hazardous or toxic material or waste.

2.17 Brokers. No broker, finder or investment banker (other than Volpe Brown Whelan & Company, LLC) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company. The Company has heretofore furnished to Parent a complete and correct copy of all agreements between the Company and Volpe Brown Whelan & Company, LLC pursuant to which such firm would be entitled to any payment relating to the transactions contemplated hereunder.

2.18 Intellectual Property.

(a) Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, the Company owns, or is licensed or otherwise possesses legally enforceable rights to use sell (except as to Third Party Intellectual Property Rights, as defined below) and license all trademarks, trade names, service marks, copyrights and any applications therefor, technology, trade secrets, know-how, computer software programs or applications (in both source code and object code form), tangible or intangible proprietary information or material, and, to the knowledge of the Company, all patents, that are necessary to, required for or used in the business of the Company as currently conducted (the "Company Intellectual Property Rights") the absence of which would be reasonably likely to have a Material Adverse Effect. Schedule 2.18 of the Company Disclosure Schedule lists all current patents, registered and material unregistered trademarks and service marks, registered copyrights, material trade names and any applications therefor owned by the Company, and specifies the jurisdictions in which each such Company Intellectual Property Right has been issued or registered or in which an application for such issuance and registration has been filed, including the respective registration or application numbers and the names of all registered owners, together with a list of all of the Company's currently marketed software products and an indication as to which, if any, of such software products have been registered for copyright

protection with the United States or Canadian Copyright Office and any other foreign offices and by whom such items have been registered. Schedule 2.18 of the Company Disclosure Schedule also includes and specifically identifies all third-party patents, trademarks or copyrights (including software) (the "Third Party Intellectual Property Rights"), that are incorporated in, are, or form a part of, any Company product and which are material to the Company's business. The listing of Third Party Intellectual Property Rights shall include the following information: the type of the agreement by which such Third Party Intellectual Property Rights have been
procured by the Company, the names of the parties and the material terms of such agreement(s). Schedule 2.18 of the Company Disclosure Schedule lists (i) any requests the Company has received to make any registration of a copyright, patent or trademark, including the identity of the requester and the item requested to be so registered, and the jurisdiction for which such request has been made; and (ii) except for object code license agreements for the Company's products executed in the ordinary course of business that are not material to the Company's business, all material licenses, sublicenses and other agreements as to which the Company is a party and pursuant to which any person is authorized to use, or which otherwise relate to, any Company Intellectual Property Right.

(b) The Company is not, nor will it be as a result of the execution and delivery of this Agreement or the performance of its obligations hereunder, in violation in any material respect of any license, sublicense or agreement described in Schedule 2.18 of the Company Disclosure Schedule. Neither the execution and delivery of this Agreement by the Company, nor the performance by the Company of its obligations hereunder will cause the forfeiture or termination or give rise to a right of forfeiture or termination of any Company Intellectual Property Right or Third Party Intellectual Property Right set forth in Schedule 2.18 of the Company Disclosure Schedule, nor impair the ability of the Company, its subsidiaries, the Continuing Corporation or Parent to use, sell or license any Company Intellectual Property Right or Third Party Intellectual Property Right set forth in Schedule 2.18 of the Company Disclosure Schedule. Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, no claims with respect to the Company Intellectual Property Rights (or Third Party Intellectual Property Rights to the extent arising out of any use, reproduction or distribution of such Third Party Intellectual Property Rights by or through the Company) are currently pending, or, to the knowledge of the Company, are threatened by any person, nor, to the knowledge of the Company, are there any valid grounds for any such claims (i) to the effect that the manufacture, sale, licensing or use of any product as now used, sold or licensed or proposed for use, sale or license by the Company infringes on any copyright, patent, trademark, service mark or trade secret; (ii) against the use by the Company of any trademarks, trade names, trade secrets, copyrights used in the Company's business as currently conducted by the Company; (iii) challenging the ownership, validity or effectiveness of any of the Company Intellectual Property Rights or (iv) challenging the Company's license or legally enforceable right to use of the Third Party Intellectual Property Rights. All registered trademarks, maskworks, and copyrights held by the Company, are valid and subsisting. Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, to the knowledge of the Company, all patents held by the Company are valid and subsisting. Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, to the Company's knowledge, there is no material unauthorized use, infringement or misappropriation of any of the Company Intellectual Property by any third party, including any employee or former employee of the Company or any of its subsidiaries. Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries (i) has been sued or charged in writing as a defendant in any claim, suit, action or proceeding which involves a claim or infringement of trade secrets, any patents, trademarks, service marks, maskworks or copyrights and which has not been finally terminated prior to August 20, 1998, or been informed or notified by any third party that the Company may be engaged in such infringement, or (ii) has knowledge of any infringement liability with respect to, or infringement by, the Company or any of its subsidiaries of any trade secret, patent, trademark, service mark, maskwork or copyright of another.

(c) The Company has taken reasonable and practicable steps designed to safeguard and maintain the secrecy and confidentiality of, and its proprietary rights in, all Company Intellectual Property Rights (other than those which, by operation of law, have been disclosed or made public). Except as set forth in Schedule 2.18 of the Company Disclosure Schedule, each employee and consultant of the Company has executed a confidentiality and invention agreement substantially in the respective forms previously delivered to Parent.

2.19 Interested Party Transactions. Except as set forth in the Company SEC Reports or as set forth in Schedule 2.19 of the Company Disclosure Schedule, since the date of the Company's proxy statement dated October 24, 1997, no event has occurred that would be required to be reported as a Certain Relationship or Related Transaction pursuant to Item 404 of Regulation S-K promulgated by the SEC or that is a related party transaction for the purposes of Quebec Securities Commission Policy Statement Q-27. The Transactions will not constitute a "going private transaction" for the purposes of such Policy.

2.20 Insurance. To the Company's knowledge, except as set forth in Schedule 2.20 of the Company Disclosure Schedule, there is no material claim by the Company or any of its subsidiaries pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums payable on or prior to August 20, 1998 under all such policies and bonds have been paid and the Company and its subsidiaries are otherwise in compliance in all material respects with the terms of such policies and bonds (or other policies and bonds providing substantially similar insurance coverage). The Company has no knowledge of any threatened termination of, or material premium increase with respect to, any of such policies.

2.21 Vote Required. The affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the Company Common Shares voting on such matter is the only vote of the holders of any class or series of the Company's share capital necessary to approve the Amalgamation and confirm By-law No. 1998-1 in accordance with the Quebec Act.

2.22 Pooling Matters. Neither the Company nor, to the Company's knowledge, any of its affiliates has, based upon consultation with its independent auditors, taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by Parent or any of its affiliates) would affect the ability of Parent to account for the business combination to be effected by the Transactions as a pooling-of-interests.

2.23 Opinion of Financial Advisor. The Company has received an oral opinion from its financial advisor, Volpe Brown Whelan & Company, LLC (subsequently confirmed in writing), to the effect that, as of November 18, 1998, the consideration to be received by the shareholders of the Company pursuant to the Transactions is fair to such shareholders from a financial point of view.

ARTICLE III

Representations And Warranties Of The Parent Group

The term "knowledge" as used in connection with Parent, shall mean Parent's actual knowledge after reasonable inquiry of officers, directors and other employees of Parent charged with senior administrative or operational responsibility of such matters. Each member of the Parent Group hereby represents and warrants to the Company as of the date of the Original Agreement (except for the representations and warranties made in Sections 3.2, 3.3, 3.7(a), 3.7(b) and 3.9, which are made as of the date of this Agreement), subject to the written disclosure schedule supplied by the Parent Group to the Company dated as of the date of the Original Agreement and certified by a duly authorized officer of Parent (the "Parent Disclosure Schedule"), that:

3.1 Organization and Qualification. Parent and each of its subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the requisite corporate power and authority and is in possession of all Approvals necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to be so organized, existing and in good standing or to have such power, authority and Approvals would not have a Material Adverse Effect. Parent and each of its subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of its properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not have a Material Adverse Effect.

3.2 Authority. Each member of the Parent Group has all necessary corporate power and authority to execute and deliver this Agreement and the Ancillary Documents (as defined in Section 5.17) (to the extent they are parties thereto) and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Ancillary Documents by each member of the Parent Group (to the extent they are parties thereto) and the consummation by each member of the Parent Group of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of each member of the Parent Group, and no other corporate proceedings on the part of any such member are necessary to authorize this Agreement or the Ancillary Documents or to consummate the transactions so contemplated (other than the approval of the Parent Stock Issuance (as defined in Section 3.9 hereof) by the requisite vote of the stockholders of Parent, to the extent necessary). The Boards of Directors of Parent and Dutchco have determined that it is advisable and in the best interest of Parent's stockholders and Dutchco's stockholder for Parent and Dutchco to enter into a business combination with the Company upon the terms and subject to the conditions of this Agreement and the Amalgamation Agreement and to recommend that the stockholders of Parent approve the Parent Stock Issuance. This Agreement and the Amalgamation Agreement have each been duly and validly executed and delivered by each member of the Parent Group (to the extent they are parties thereto) and, assuming the due authorization, execution and delivery by the Company, each such agreement constitutes a legal, valid and binding obligation of each member of the Parent Group. Each of the Ancillary Documents not yet executed and delivered as of the date hereof shall constitute a legal, valid and binding obligation of each member of the Parent Group (to the extent they are parties thereto) upon execution and delivery of each such document.

3.3 No Conflict; Required Filings and Consents.

(a) Except as set forth in Schedule 3.3(a) of the Parent Disclosure Schedule, the execution and delivery of this Agreement and the Ancillary Documents by each member of the Parent Group (to the extent they are parties thereto) do not (or in the case of Ancillary Documents not yet executed and delivered, will not), and the performance of this Agreement and the Ancillary Documents by each member of the Parent Group will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws (or similar charter documents, as the case may be) of any member of the Parent Group, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or any of its subsidiaries or by which its or their respective properties are bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or impair Parent's or any of its subsidiaries' rights or alter the rights or obligations of any third party under, or to the knowledge of Parent, give to others any rights of termination, amendment, acceleration or cancellation of, any material contract or result in the creation of a lien or encumbrance on any of the properties or assets of Parent or any of its subsidiaries pursuant to any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or any of its subsidiaries is a party or by which Parent or any of its subsidiaries or its or any of their respective properties are bound or affected, except in the case of (ii) and (iii) any such case for any such breaches, defaults or other occurrences that would not have a Material Adverse Effect.

(b) The execution and delivery of this Agreement and the Ancillary Documents by each member of the Parent Group (to the extent they are parties thereto) does not (or in the case of Ancillary Documents not yet executed and delivered, will not), and the performance of the transactions contemplated hereby and thereby will not, require any material consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Securities Act, the Exchange Act, the Blue Sky Laws, the pre-merger notification requirements of the HSR Act, relevant Canadian securities statutes, filing with Industry Canada under the Investment Canada Act (Canada), filing under the Competition Act (Canada) and the filing and recordation of appropriate merger or other documents as required by the Quebec Act and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Transactions, or otherwise prevent or materially delay any member of the Parent Group from performing its respective obligations under this Agreement and the Ancillary Documents, and would not otherwise have a Material Adverse Effect.

3.4 Certificate of Incorporation and By-Laws. Parent has heretofore furnished to the Company a complete and correct copy of its Certificate of Incorporation and the By-Laws, as amended through August 20, 1998. Such Certificate of Incorporation and By-Laws are in full force and effect. Neither Parent, Dutchco nor Amalgamation Sub is in violation of any of the provisions of its respective Certificate of Incorporation or By-Laws (or similar charter documents, as the case may be).

3.5 Capitalization. As of July 31, 1998, the authorized capital stock of Parent consisted of (i) 250,000,000 shares of Parent Common Stock of which: 46,347,747 shares were issued and outstanding, no shares were held in treasury, 12,832,135 shares were reserved for issuance pursuant to outstanding options under Parent's stock option plans, 2,000,000 shares were reserved for future issuance under Parent's employee purchase plan; and 2,000,000 shares of Preferred Stock, US $0.01 par value ("Parent Preferred Stock"), none of which were issued and outstanding. No material change in such capitalization has occurred between July 31, 1998 and August 20, 1998. The authorized capital stock of Amalgamation Sub consists of an unlimited number of common shares, no par value, one share of which, as of August 20, 1998, is issued and outstanding. All of the outstanding shares of Parent's, Dutchco's, Giants Quebec's and Amalgamation Sub's respective capital stock have been duly authorized and validly issued and are fully paid and nonassessable. All of the Parent Common Shares, Exchangeable Shares, Class B Shares (as each is defined in the Amalgamation Agreement) and Units to be issued in connection with the transactions contemplated hereby have been authorized by all necessary corporate action and, when issued in accordance with the terms of this Agreement and the provisions of such shares (as set out in Appendix A to the Amalgamation Agreement), will be validly issued, fully paid and nonassessable.

3.6 Compliance; Permits.

(a) Neither Parent nor any of its subsidiaries is in conflict with, or in default or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to Parent or any of its subsidiaries or by which its or any of their respective properties is bound or affected or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or any of its subsidiaries is a party or by which Parent or any of its subsidiaries or is or any of their respective properties is bound or affected, except for any such conflicts, defaults or violations which would not have a Material Adverse Effect.

(b) Parent and its subsidiaries hold all permits, licenses, easements, variances, exemptions, consents, certificates, orders and approvals from governmental or other regulatory authorities which are material to the operation of the business of the Company and its subsidiaries taken as a whole as operated on August 20, 1998 (collectively, the "Parent Permits"). Parent and its subsidiaries are in compliance with the terms of the Parent Permits, except where the failure to so comply would not have a Material Adverse Effect.

3.7 SEC Filings; Financial Statements.

(a) Parent has filed all forms, reports and documents required to be filed with the SEC since February 1, 1995, and has heretofore delivered to the Company, in the form filed with the SEC, (i) its Annual Reports on Form 10-K for the fiscal years ended January 31, 1998, 1997 and 1996, and its quarterly report on Form 10-Q for the fiscal quarters ended April 30, 1998 and July 31, 1998, (ii) all proxy statements relating to Parent's meetings of stockholders (whether annual or special) held since January 31, 1996, (iii) all other reports or registration statements (other than Reports on Form 10-Q not referred to in clause (ii) above, Reports on Form 3, 4 or 5 filed on behalf of affiliates of the Parent and Registration Statements on Form S-8) filed by Parent with the SEC since January 31, 1996 and (iv) all amendments and supplements to all such reports and registration statements filed by Parent with the SEC (collectively, the "Parent SEC Reports"). The Parent SEC Reports (i) were prepared in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. None of Parent's subsidiaries is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the Parent SEC Reports has been prepared in accordance with US GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and each fairly presents the consolidated financial position of Parent and its subsidiaries as at the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount.

(c) Parent has heretofore furnished to the Company a complete and correct copy of any amendments or modifications, which have not yet been filed with the SEC but which are required to be filed, to agreements, documents or other instruments which previously had been filed by Parent with the SEC pursuant to the Securities Act or the Exchange Act.

3.8 Absence of Certain Changes or Events. Except as set forth in Schedule 3.8 of the Parent Disclosure Schedule and in the Parent SEC Reports, since January 31, 1998, Parent has conducted its business in the ordinary course and since such date and through August 20, 1998, there has not occurred any Material Adverse Effect with respect to Parent. In addition, since such date there has not been (i) any damage to, destruction or loss of any assets of Parent (whether or not covered by insurance) that could have a Material Adverse Effect with respect to Parent, (ii) any revaluation by Parent of any of its assets reasonably likely to have a Material Adverse Effect with respect to Parent, including, without limitation, writing down the value of capitalized software or inventory or writing off notes or accounts receivable other than in the ordinary course of business or (iii) other events outside of the ordinary course of business and inconsistent with past practices that would be reasonably likely to have a Material Adverse Effect with respect to Parent.

3.9 Board Approval. The Board of Directors of Parent has, as of November 18, 1998, determined to recommend that the stockholders of Parent approve the issuance of Parent Common Stock in connection with the Transactions (including any subsequent issuance of Parent Common Stock in connection with the exchange of Exchangeable Shares) (the "Parent Stock Issuance").

3.10 Registration Statement; Joint Proxy Statement/Prospectus.

(a) Subject to the accuracy of the representations of the Company in Section 2.12 hereof, (i) the Form S-4 pursuant to which the Parent Common Shares, Exchangeable Shares, Units and Class B Shares to be issued in connection with the Transactions will be registered with the SEC, (ii) the Joint Proxy Statement, and (iii) the Other Filings will (A) at the respective times such documents are filed with the SEC or other regulatory agency, (B) in the case of the Joint Proxy Statement, at the date it or any amendments or supplements thereto are mailed to stockholders, at the time of the Parent Stockholders' Meeting and at the Effective Time and (C) in the case of the Form S-4, if any, when it becomes effective under the Securities Act, at the Effective Time and on the date of any post-effective amendment thereto, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Joint Proxy Statement will comply as to form in all material respects with the applicable provisions of the Delaware General Corporation Law and the Exchange Act as it relates to the Parent Stockholders' Meeting, and the Form S-4, as it relates the issuance of the Parent Common Shares, Exchangeable Shares, Units and Class B Shares to be issued in connection with the Transactions, will comply as to form in all material respects with the requirements of the Securities Act. If at any time prior to the Effective Date any event relating to Parent, Dutchco, Amalgamation Sub or any of their respective affiliates, officers or directors should be discovered by Parent, Dutchco or Amalgamation Sub which should be set forth in an amendment to the Form S-4 or a supplement to the Joint Proxy Statement, Parent, Dutchco or Amalgamation Sub will promptly inform the Company. Notwithstanding the foregoing, Parent makes no representation or warranty with respect to any information supplied by the Company which is contained in, or furnished in connection with the preparation of, any of the foregoing.

(b) As of August 20, 1998 and at the Effective Time, except for obligations or liabilities incurred in connection with its incorporation or organization and the transactions contemplated by this Agreement and the

Amalgamation Agreement and except for this Agreement and the Amalgamation Agreement and any other agreements or arrangements contemplated by this Agreement, Amalgamation Sub has not and will not have incurred, directly or indirectly, through any subsidiary or affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any person.

3.11 Brokers. No broker, finder or investment banker (other than Piper Jaffray, Inc. and Goldman, Sachs & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement based upon arrangements made by or on behalf of Parent, Dutchco or Amalgamation Sub. Parent has heretofore furnished to Company a complete and correct copy of all agreements between any member of the Parent Group and Piper Jaffray, Inc. and Goldman, Sachs & Co. pursuant to which such firms would be entitled to any payment relating to the transactions contemplated hereunder.

3.12 Opinion of Financial Advisor. Parent has received an oral opinion from its financial advisor, Piper Jaffray, Inc. (subsequently confirmed in writing), to the effect that, as of November 18, 1998, the Exchange Ratio is fair from a financial point of view to Parent.

3.13 Pooling Matters. Neither Parent nor any of its affiliates has, to its knowledge and based upon consultation with its independent auditors, taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would affect the ability of Parent to account for the business combination to be effected by the Transactions as a pooling-of-interests.

3.14 Absence of Litigation. Except as set forth in Schedule 3.14 of the Parent Disclosure Schedule or the Parent SEC Reports, there are no claims, actions, suits, proceedings or investigations pending or, to the knowledge of the Parent, threatened against the Parent or any of its subsidiaries, or any properties or rights of the Parent or any of its subsidiaries, before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign, that could have a Material Adverse Effect.

3.15 Restrictions on Business Activities. Except for this Agreement and the Ancillary Documents or as otherwise set forth in the Parent Disclosure Schedule or the Parent SEC Reports, there is no material agreement, judgment, injunction, order or decree binding upon the Company or any of its subsidiaries which has or could reasonably be expected to have the effect of prohibiting or impairing any material business practice of Parent or any of its subsidiaries, the acquisition of property by Parent or any of its subsidiaries or the conduct of business by Parent or any of its subsidiaries as currently conducted by Parent.

3.16 Taxes.

(a) Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, Parent and its subsidiaries have filed or caused to be filed all Tax Returns required to be filed by them, except to the extent that the failure to file such Tax Returns would not have a Material Adverse Effect, and Parent and its subsidiaries have paid and discharged or caused or to be paid and discharged all Taxes due in connection with or with respect to the filing of all Tax Returns and have paid all other Taxes as are due, and there are no other Taxes that would be due if asserted by a taxing authority, except such as are being contested in good faith by appropriate proceedings (to the extent that any such proceedings are required) and with respect to which Parent is maintaining reserves to the extent currently required in all material respects adequate for their payment except to the extent the failure to do so would not have a Material Adverse Effect. Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, none of Revenue Canada, Revenue Quebec, the IRS or any other taxation authority or agency is now asserting or, to the best of Parent's knowledge, threatening to assert against Parent or any of its subsidiaries any deficiency or claim for additional Taxes other than additional Taxes with respect to which Parent is maintaining reserves in all material respects adequate for their payment, and there are no requests for information currently outstanding that could affect the Taxes of Parent or any of its subsidiaries. Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, neither Parent nor any of its subsidiaries is currently being audited or examined by any taxation authority, nor has Parent received any written notice that

any Tax Return will undergo any audit or examination or that such an audit or examination is threatened. Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, neither Parent nor any of its subsidiaries has, except as would not have a Material Adverse Effect, granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax. The accruals and reserves for Taxes reflected in the consolidated financial statements (including, in each case, any related notes thereto) contained in the Parent SEC Reports are in all material respects adequate to cover all Taxes accruable through the date thereof (including interest and penalties, if any, thereon and Taxes being contested) in accordance with generally accepted accounting principles. No liability for taxes has been incurred (or prior to the Effective Time will be incurred) since such date other than in the ordinary course of business except as (i) would not have a Material Adverse Effect, or (ii) is attributable to the transactions contemplated herein.

(b) Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, Parent and each of its subsidiaries have reported and withheld from each payment made to any of their respective past or present employees, officers, directors or non-residents of the United States the amount of all Taxes and other material deductions required to be withheld therefrom and have paid the same to the proper tax or other receiving officers within the time required under any applicable legislation except where failure to do so would not have a Material Adverse Effect.

(c) Except as disclosed in Schedule 3.16 of the Parent Disclosure Schedule, Parent has not requested or received a ruling from any taxation authority or signed a closing or other agreement with any taxation authority which could have a Material Adverse Effect.

3.17 Intellectual Property.

(a) Parent and its subsidiaries own, or are licensed or otherwise possess legally enforceable rights to use, sell and license all trademarks, tradenames, service marks, copyrights and any applications therefor necessary to, used in or required for their respective businesses as currently conducted (the "Parent Intellectual Property Rights"), the absence of which would be reasonably likely to have a Material Adverse Effect on Parent.

(b) Parent is not, nor will it be as a result of the execution and delivery of this Agreement or the Ancillary Documents or the performance of its obligations hereunder or thereunder, in violation in any material respect of any license, sublicense or agreement of which Parent or any of Parent's subsidiaries is a party. The execution and delivery of this Agreement and the Ancillary Documents or the performance of its obligations hereunder or thereunder will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any material Parent Intellectual Property Right, or impair the ability of Parent or its subsidiaries to use, sell or license any Parent Intellectual Property Right or portion thereof. Except as set forth in Schedule 3.17 of the Parent Disclosure Schedule, no claims with respect to Parent Intellectual Property Rights are currently pending, or, to the knowledge of Parent, are threatened by any person, nor, to the knowledge of the Parent, are there any valid grounds for any such claims (i) to the effect that the manufacture, sale, licensing or use of any product as now used, sold or licensed or proposed for use, sale or license by Parent infringes on any copyright, patent, trademark, service mark or trade secret; (ii) against the use by Parent of any trademarks, trade names, trade secrets, copyrights used in Parent's business as currently conducted by Parent; (iii) challenging the ownership, validity or effectiveness of any of Parent Intellectual Property Rights or (iv) to the knowledge of Parent, against the use by Parent of any patents. All registered trademarks, maskworks and copyrights are valid and subsisting. Except as set forth in Schedule 3.17 of the Parent Disclosure Schedule, to the knowledge of Parent, all patents held by Parent are valid and subsisting. Except as set forth in Schedule 3.17 of the Parent Disclosure Schedule, to Parent's knowledge, there is no material unauthorized use, infringement or misappropriation of any of Parent Intellectual Property Right by any third party, including any employee or former employee of Parent or any of its subsidiaries. Except as set forth in Schedule 3.17 of the Parent Disclosure Schedule, neither Parent nor any of its subsidiaries (i) has been sued or charged in writing as a defendant in any claim, suit, action or proceeding which involves a claim or infringement of trade secrets, any patents, trademarks, service marks, maskworks or copyrights and which has not been finally terminated prior to August 20, 1998, or been informed or notified by any third party that Parent may be engaged in such infringement, or (ii) has knowledge of any infringement liability with respect to, or infringement by, Parent or any of its subsidiaries of any trade secret, patent, trademark, service mark, maskwork or copyright of another.

(c) Each employee and consultant of Parent has executed a confidentiality and invention agreement substantially in the respective forms previously delivered to the Company.

(d) Parent has taken reasonable and practicable steps designed to safeguard and maintain the secrecy and confidentiality of, and its proprietary rights in, all Parent Intellectual Property Rights (other than those which, by operation of law, have been disclosed or made public).

3.18 Insurance. To Parent's knowledge, except as is set forth in Schedule 3.18 of the Parent Disclosure Schedule, there is no material claim by Parent or any of its subsidiaries pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums payable on or prior to the date hereof under all such policies and bonds have been paid and Parent and its subsidiaries are otherwise in compliance in all material respects with the terms of such policies and bonds (or other policies and bonds providing substantially similar insurance coverage). Parent has no knowledge of any threatened termination of, or material premium increase with respect to, any of such policies.

3.19 Vote Required. The affirmative vote of the holders of a majority of the shares present and entitled to vote at a stockholder meeting duly convened for the purpose of considering the Parent Stock Issuance is the only vote of the holders of any class or series of Parent's capital stock necessary to approve the Transactions in accordance with the Delaware General Corporation Law, the Certificate of Incorporation of Parent and the By-Laws of Parent.

ARTICLE IV

Conduct of Business Pending the Amalgamation

4.1 Conduct of Business by the Company Pending the Amalgamation. During the period from the date of the Original Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, and except as set forth in Schedule 4.1 of the Company Disclosure Schedule, the Company covenants and agrees, unless Dutchco shall otherwise agree in writing, to conduct its business and cause the businesses of its subsidiaries to be conducted only in, and the Company and its subsidiaries shall not take any action except in, the ordinary course of business or in accordance with the provisions of this Agreement and in a manner consistent with past practice; and the Company shall use commercially reasonable efforts to preserve substantially intact the business organization of the Company and its subsidiaries, to keep available the services of the present officers, employees and consultants of the Company and its subsidiaries, to take all commercially reasonable action necessary to prevent the loss, cancellation, abandonment, forfeiture or expiration of any Company Intellectual Property and to preserve the present relationships of the Company and its subsidiaries with customers, suppliers and other persons with which the Company or any of its subsidiaries has significant business relations, except in each case where the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided, however, that the provisions of this Section 4.1 shall not prevent the Company from taking action to cause the Exchangeable Shares, the Class B Shares, Class E Shares and Class F Shares to be listed, posted or quoted for trading on the Nasdaq National Market and/or a prescribed Canadian stock exchange. By way of amplification and not limitation, except as contemplated by this Agreement, neither the Company nor any of its subsidiaries shall, during the period from the date of the Original Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, directly or indirectly do, or agree to do, any of the following without the prior written consent of Dutchco, which shall not be unreasonably withheld:

(a) amend or otherwise change the Company's Articles of Incorporation or By-Laws;

(b) except as disclosed in Schedule 4.1(b) of the Company Disclosure Schedule, issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of any class of the Company's share capital, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of the Company's share capital, or any other ownership interest (including, without limitation, any phantom interest) of the Company, any of its subsidiaries or affiliates (except for the issuance of Company Common Shares issuable pursuant to employee stock options under the Company Stock Option Plans

(as defined in Section 5.5), pursuant to rights to purchase such shares under the Company Stock Purchase Plan (as defined in Section 5.6), which options or rights, as the case may be, are outstanding on the date hereof) or as permitted under Section 4.2;

(c) except as set forth in Schedule 4.1(c) of the Company Disclosure Schedule, sell, pledge, dispose of or encumber any material assets of the Company or any of its subsidiaries (except for (i) sales of assets in the ordinary course of business and in a manner consistent with past practice and (ii) dispositions of obsolete or worthless assets);

(d) amend or change the period (or permit any acceleration, amendment or change) of exercisability of options or restricted stock granted under the Employee Plans (including the Company Stock Option Plans) or authorize cash payments in exchange for any options granted under any of such plans except with regard to options set forth in Schedule 4.1(d) of the Company Disclosure Schedule;

(e) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of any of its capital stock, except that a wholly owned subsidiary of the Company may declare and pay a dividend to its parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or (iii) amend the terms of, repurchase, redeem or otherwise acquire, or permit any subsidiary to repurchase, redeem or otherwise acquire, any of its securities or any securities of its subsidiaries, or propose to do any of the foregoing;

(f) except as set forth in Schedule 4.1(f) of the Company Disclosure Schedule, sell, transfer, license, sublicense or otherwise dispose of any Company Intellectual Property, or amend or modify any existing agreements with respect to any Company Intellectual Property or Third Party Intellectual Property Rights, other than nonexclusive object and source code licenses in the ordinary course of business consistent with past practice or industry standards for such licensing or distribution;

(g) (i) acquire (by merger, consolidation, or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or otherwise acquire any material amount of assets; (ii) incur any material indebtedness for borrowed money or issue any debt securities or assume, guarantee (other than guarantees of bank debt of the Company's subsidiaries entered into in the ordinary course of business), endorse or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business consistent with past practice; (iii) authorize any capital expenditures or purchase of fixed assets which are, in the aggregate, in excess of US $6,000,000 for the Company and its subsidiaries taken as a whole; or (iv) enter into or amend any contract, agreement, commitment or arrangement to effect any of the matters prohibited by this Section 4.1(g);

(h) except as set forth in Schedule 4.1(h) of the Company Disclosure Schedule, increase the compensation payable or to become payable to its officers or employees, except for increases in salary or wages of officers or employees of the Company or its subsidiaries in accordance with past practices, or grant any severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or other employee of the Company or any of its subsidiaries, or establish, adopt, enter into or amend any Employee Plan, except as may be required by applicable law;

(i) take any action to change material Tax or accounting policies or procedures (including, without limitation, procedures with respect to revenue recognition, capitalization of software development costs, payments of accounts payable and collection of accounts receivable) other than as may be required by law or US GAAP;

(j) make any material Tax election inconsistent with past practices or settle or compromise any material federal, state, local or foreign Tax liability or agree to an extension of a statute of limitations except to the extent the amount of any such settlement has been reserved for on the Company Balance Sheet;

(k) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Company Financial Statements or incurred in the ordinary course of business and consistent with past practice;

(l) except as may be required by law and except as disclosed on Schedule 4.1(l) of the Company Disclosure Schedule, take any action to terminate or amend any of its Employee Plans;

(m) modify, amend or terminate any Covered Agreement (as defined in Section 2.5(b)), other than in the ordinary course of business consistent with past practice;

(n) take or allow to be taken or fail to take any act or omission which would jeopardize the treatment of the Transactions as a pooling-of-interests for accounting purposes under US GAAP; or

(o) take, or agree in writing or otherwise to take, any of the actions described in Sections 4.1(a) through (n) above, or any action which would make any of the representations or warranties of the Company contained in this Agreement untrue or incorrect in any material respect or prevent the Company from performing or cause the Company not to perform its covenants hereunder or result in any of the conditions to the Transactions set forth herein not being satisfied.

4.2 No Solicitation.

(a) From and after the date of the Original Agreement until the earlier of the Effective Time or the termination of this Agreement in accordance with Article VII hereof, the Company shall not, directly or indirectly, through any officer, director, employee, representative or agent of the Company or any of its subsidiaries, take any action to initiate, solicit or encourage (including by way of furnishing any person any non-public information, except as permitted in Section 4.2(e)) or, subject to the terms of the immediately following sentence, participate in any discussions or negotiations with any persons who are considering or who have made any inquiries or proposals regarding any merger, amalgamation, take-over bid, sale of substantial assets, sale of shares of capital stock (including without limitation by way of a tender offer) or similar transactions involving the Company or any subsidiaries of the Company (any of the foregoing inquiries or proposals being referred to herein as an "Acquisition Proposal"). Notwithstanding anything to the contrary contained in this Section 4.2(a) or in any other provision of this Agreement, the Company may, to the extent the Board of Directors of the Company determines, in good faith, after consultation with outside legal counsel, that the Board's fiduciary duties under applicable law require it to do so, participate in discussions or negotiations with, and, subject to the requirements of paragraph (d), below, furnish information to any person, entity or group after such person, entity or group has delivered to the Company, an unsolicited bona fide Acquisition Proposal which the Board of Directors of the Company in its good faith reasonable judgment determines, after consultation with its independent financial advisors, would result in a transaction more favorable to the shareholders of the Company than the transactions contemplated by this Agreement (a "Superior Proposal"). In addition, notwithstanding any other provision of this Agreement, in connection with a possible Acquisition Proposal, the Company may refer any third party to this Section 4.2 or make a copy of this Section 4.2 available to a third party. In the event the Company receives a Superior Proposal, nothing contained in this Agreement (but subject to the terms of this Section 4.2) will prevent the Board of Directors of the Company from accepting, approving or recommending such Superior Proposal to its shareholders, if the Board determines, in good faith, after consultation with outside legal counsel, that such action is required by its fiduciary duties under applicable law; in such case, the Board of Directors of the Company may withdraw, modify or refrain from making its recommendation set forth in Section 5.1(a), and, to the extent it does so, the Company may refrain from soliciting proxies and taking such other action necessary to secure the vote of its shareholders as may be required by Section 5.2; provided, however, that the Company shall not accept, approve or recommend to its shareholders, or enter into any agreement concerning, a Superior Proposal for a period of not less than three business days after Parent's receipt of a copy of the Superior Proposal (or a reasonably detailed written description of the significant terms and conditions thereof, if such proposal is not in writing).

(b) Notwithstanding Section 4.2(a) above, nothing contained in this Agreement shall prohibit the Company from complying with Rules 14d-9 and 14e-2 under the Exchange Act; provided, however, that, in complying with Rules 14d-9 and 14e-2, the Company will not make or authorize any recommendation of any Acquisition Proposal unless such proposal constitutes a Superior Proposal.

(c) The Company shall immediately (and no later than 24 hours) notify Parent and Dutchco after receipt of any written Acquisition Proposal or any request for non-public information relating to the Company or

any of its subsidiaries in connection with an Acquisition Proposal or for access to the properties, books or records of the Company or any subsidiary by any person or entity that informs the Board of Directors of the Company or such subsidiary that it is considering making, or has made, an Acquisition Proposal. Such notice to Parent and Dutchco shall be made orally and in writing and shall indicate in reasonable detail the terms and conditions of such proposal, inquiry or contact.

(d) If the Board of Directors of the Company receives a request for material nonpublic information by a party who makes a bona fide Acquisition Proposal and the Board of Directors of the Company determines that such proposal is a Superior Proposal, then, and only in such case, the Company may, subject to the execution of a confidentiality agreement substantially similar to that then in effect between the Company and Parent, provide such party with access to information regarding the Company, which access shall be no more extensive than that provided to Parent.

(e) The Company shall immediately cease and cause to be terminated any existing discussions or negotiations with any parties (other than Parent, Dutchco and Amalgamation Sub) conducted heretofore with respect to any of the foregoing. The Company agrees not to release any third party from any confidentiality or standstill agreement with respect to any of the foregoing to which the Company is a party.

(f) The Company shall ensure that the officers, directors, employees and agents of the Company and its subsidiaries and any investment bankers or other agents, advisors or representatives retained by the Company are aware of the restrictions described in this Section, and shall be responsible for any breach of this Section 4.2 by such bankers, officers, directors, employees, agents, advisors or representatives.

4.3 Covenants of Parent. During the period from the date of the Original Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, Parent agrees as to itself and its material subsidiaries (except to the extent that the Company shall otherwise consent in writing, which consent shall not unreasonably be withheld), to carry on its and such subsidiaries' business in the ordinary course, to pay its debts and Taxes when due subject to good faith disputes over such debts or Taxes and to pay or perform other obligations when due, except to the extent failure to do any of the foregoing would not have a Material Adverse Effect.

ARTICLE V

Additional Agreements

5.1 Joint Proxy Statement/Prospectus; Registration Statement. As promptly as practicable after the execution of this Agreement, Parent and Company shall prepare and file with the SEC a preliminary proxy statement which shall constitute the Joint Proxy Statement/Prospectus, together with any other documents required by the Securities Act or the Exchange Act, in connection with the Transactions. The Joint Proxy Statement/Prospectus shall constitute (i) the proxy statement of the Company with respect to the Company Shareholders' Meeting, (ii) the proxy statement of Parent with respect to the Parent Stockholders' Meeting and, (iii) the prospectus to be contained in the Form S-4 with respect to the issuance by (A) Dutchco of the Parent Common Shares and (B) the Continuing Corporation of the Exchangeable Shares, Units and Class B Shares in connection with the Transactions. As promptly as practicable after comments (if any) are received from the SEC thereon and after the furnishing by Parent and the Company of all information required to be contained therein, Parent and Company shall cause the Joint Proxy Statement/Prospectus to be mailed to each of the Company's Shareholders and each of Parent's Stockholders. The Joint Proxy Statement/Prospectus shall (i) include the unanimous recommendation of the non-interested Board of Directors of the Company in favor of the Transactions, except that the Board of Directors of the Company may withdraw, modify or refrain from making such recommendation to the extent that the Board determines, in good faith, after consultation with outside legal counsel, that compliance with the Board's fiduciary duties under applicable law would require it to do so, and (ii) the unanimous recommendation of the Board of Directors of Parent in favor of the Parent Stock Issuance, except that the Board of Directors of Parent may withdraw, modify or refrain from making such recommendation to the extent that the Board determines, in good faith, after consultation with outside legal counsel, that compliance with the Board's fiduciary duties under applicable law would require it to do so. Parent shall file a

registration statement on Form S-3 (the "Form S-3") in order to register the Parent Common Shares to be issued from time to time after the Effective Time upon exchange of the Exchangeable Shares and shall use its reasonable best efforts to maintain the effectiveness of such registration for such period as such Exchangeable Shares remain outstanding, and Parent and the Company shall use all reasonable efforts to cause the Form S-3 to become effective prior to the Effective Time. Notwithstanding anything herein to the contrary, Parent shall be under no obligation to file the Form S-3 if it shall have determined on the advice of its counsel that the shares of Parent Common Stock to be issued upon exchange of the Exchangeable Shares after the Effective Time will be exempt from the registration requirements of Section 5 of the Securities Act by virtue of Section 3(a)(9) thereof.

5.2 Shareholders' Meetings. The Company shall take all commercially reasonable action necessary in accordance with applicable law, its Articles of Incorporation and By-Laws to hold the Company Shareholders' Meeting as soon as practicable (but in no event more than 40 days) after the date on which the Form S-4 becomes effective. Parent will take all commercially reasonable action necessary in accordance with the Delaware General Corporation Law and its Certificate of Incorporation and By-Laws to convene the Parent Stockholders' Meeting to be held as soon as practicable (but in no event more than 40 days) after the date on which the Form S-4 becomes effective. Parent will consult with Company and will use its commercially reasonable efforts to hold the Parent Shareholders' Meeting on the same day as the Company Stockholders' Meeting. Subject to the terms of this Agreement, each of Parent and the Company will use its commercially reasonable efforts to solicit from its stockholders proxies in favor of the approval of this Agreement and the transactions contemplated hereby and the approval of the Parent Stock Issuance, as the case may be, and will take all other action necessary or advisable to secure the vote or consent of their respective stockholders required by the rules of the National Association of Securities Dealers, Inc. and applicable law to obtain such approvals.

5.3 Access to Information; Confidentiality. Upon reasonable notice and subject to restrictions contained in confidentiality agreements to which such party is subject, the Company, Parent and Dutchco shall each (and shall cause each of their subsidiaries to) afford to the officers, employees, accountants, counsel and other representatives of the other, reasonable access during normal business hours, during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, the Company and Parent each shall (and shall cause each of their subsidiaries to) furnish promptly to the other all information concerning its business, properties and personnel as such other party may reasonably request, and each shall make available to the other the appropriate individuals (including attorneys, accountants and other professionals) for discussion of the other's business, properties and personnel as either party may reasonably request. Each party shall keep such information confidential in accordance with the terms of the existing confidentiality agreement dated July 10, 1998 (the "Confidentiality Agreement") between Parent and the Company.

5.4 Consents; Approvals. The Company, Parent and Dutchco shall each use best efforts to obtain all consents, waivers, approvals, authorizations or orders (including, without limitation, all United States, Canadian federal and provincial and foreign governmental and regulatory rulings and approvals), and the Company and Parent shall promptly make all filings (including, without limitation, all filings with United States, Canadian federal and provincial and foreign governmental or regulatory agencies) required in connection with the authorization, execution and delivery of this Agreement and the Ancillary Documents by the Company and each member of the Parent Group (to the extent they are parties thereto) and the consummation by them of the transactions contemplated hereby and thereby. The Company and Parent (with respect to themselves and their respective subsidiaries) shall furnish all information required to be included in the Joint Proxy Statement and the Form S-4, or for any application or other filing to be made pursuant to the rules and regulations of any United States, Canadian federal or provincial or foreign governmental body in connection with the Transactions.

5.5 Stock Options; Employee Benefits; Retention of Employees.

(a) At the Effective Time, the Company's obligations with respect to each outstanding option to purchase Company Common Shares (each a "Company Option") under the Company's Amended and Restated 1994 Restricted Stock and Stock Option Plan, 1995 Non-Employee Director Stock Option Plan, 1995 Employee Stock Purchase Plan and 1997 Special Limited Non-Employee Director Stock Plan and outside of any such

formal plan (individually, a "Company Stock Option Plan," and, collectively, the "Company Stock Option Plans"), whether vested or unvested, will be assumed by Parent and, on such assumption, the rights to acquire Company Common Shares under the Company Stock Option Plans shall be exchanged for rights to acquire Parent Common Shares under such plans. Each Company Option so assumed by Parent under this Agreement shall continue to have, and be subject to, the same terms and conditions set forth in the applicable Company Stock Option Plan and agreement pursuant to which such Company Option was issued as in effect immediately prior to the Effective Time, except that (i) such Company Option will be deemed to constitute an option to purchase that number of Parent Common Shares equal to the product of the number of Company Common Shares that the holder of such option would have been entitled to receive had such holder exercised such options immediately prior to the Effective Time (not taking into account whether such option was in fact exercisable) multiplied by the Exchange Ratio, rounded down to the nearest whole number of Parent Common Shares, and (ii) the per share exercise price for the Parent Common Shares issuable upon exercise of such assumed Company Option will be equal to the quotient determined by dividing the exercise price per Company Common Shares at which such Company Option was exercisable immediately prior to the Effective Time by the Exchange Ratio, and rounding the resulting exercise price up to the nearest whole cent.

(b) It is the intention of the parties that the Company Options assumed by Parent qualify following the Effective Time as incentive stock options as defined in the Code ("ISOs"), to the extent the Company Options qualified as ISOs prior to the Effective Time.

(c) The Company shall ensure that any required consents of holders of such options or rights to such assumptions are obtained prior to the Effective Time.

(d) As soon as practicable after the Effective Time, Parent shall deliver to each holder of an outstanding Company Option, an appropriate notice setting forth such holder's rights pursuant thereto and such Company Option shall continue in effect on the same terms and conditions (including further anti-dilution provisions, and subject to the adjustments required by this Section 5.5 after giving effect to the Transactions). Parent shall comply with the terms of all such Company Options. Parent shall take all corporate action necessary to reserve for issuance a sufficient number of Parent Common Shares for delivery pursuant to the terms set forth in this Section 5.5.

(e) As of the Effective Time, the employees of the Company (the "Company Employees") shall be entitled (to the extent permitted by applicable law and subject to the provisions of this Agreement) to participate in each of Parent's employee benefit and incentive compensation and perquisite plans and arrangements (the "Parent Employee Plans") in which similarly situated employees of Parent participate, to the same extent as similarly situated employees of Parent. For purposes of determining eligibility to participate in the Parent Employee Plans, eligibility to participate in the Parent Employee Plans, eligibility for benefit forms and subsidies and the vesting of benefits under such plans (including, but not limited to, any severance, 401(k), vacation and sick pay plan) and for purposes of accrual of benefits under any severance, sick leave, vacation and other similar Parent Employee Benefit Plans (except with respect to Parent's sabbatical program), Parent shall give effect to years of service (and for purposes of qualified and nonqualified pension plans, prior earnings) with the Company or its subsidiaries, as the case may be, as if they were employees of the Parent. Such service shall also be given effect for purposes of satisfying any waiting period, evidence of insurability requirements, or the application of any preexisting condition limitation. The Company Employees shall be given credit for amounts paid under a corresponding Company Employee Plan during the same period for purposes of applying deductibles, copayments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the Parent Employee Plan. With regard to any employees who are redeployed as a result of the transactions contemplated hereby, such redeployment shall be made in accordance with the Redeployment Schedule attached at Schedule 5.6(f) of the Parent Disclosure Schedule, subject to any general changes in the policies of Parent.

(f) Parent shall assume and honor the obligations of the Company and its subsidiaries under all employment, severance, consulting and other compensation contracts, commitments or agreements disclosed in the Company Disclosure Schedule, each as amended to the date hereof or as contemplated hereby. Parent hereby acknowledges that the Transactions will constitute a "Change in Control" for purposes of all of the Company Employee Plans.

(g) The Company will use its best efforts to assist Parent in identifying and ensuring the retention by Parent and/or the Continuing Corporation of those technical and non-technical employees who are necessary to carrying out the operations of the Company as presently conducted and proposed to be conducted. The parties acknowledge and agree, consistent with the provisions of this Agreement, that the failure of Parent and/or the Continuing Corporation to retain such employees despite the Company's best efforts shall not entitle Parent to terminate this Agreement.

5.6 Company Employee Stock Purchase Plan.

(a) At the Effective Time, each outstanding purchase right (each an "Assumed Purchase Right" and, collectively, the "Assumed Purchase Rights") under the Company's 1995 Employee Stock Purchase Plan (the "Company Stock Purchase Plan") shall be deemed to constitute a purchase right to acquire, on the same terms and conditions as were applicable under the Company Stock Purchase Plan immediately prior to the Effective Time, a number of Parent Common Shares determined as provided in the Company Stock Purchase Plan, except that the per share purchase price of such Parent Common Shares under each such Assumed Purchase Right will be the lower of (i) the quotient determined by dividing (x) 85% of the closing price of a Discreet Common Share as reported on the Nasdaq National Market on the first day of the offering period in effect as of the Effective Time (the "Current Offering Period") by (y) the Exchange Ratio and (ii) 85% of the closing price of a share of Autodesk Common Stock as reported on the Nasdaq National Market on the last day of the Current Offering Period. As soon as practicable after consummation of the Transactions, Autodesk shall deliver to the participants in the Company Stock Purchase Plan appropriate notice setting forth such participants' rights pursuant thereto and that the Assumed Purchase Rights shall continue in effect on the terms and conditions provided in this Section 5.6.

(b) Parent shall file and cause to become effective not later than the Effective Time a registration statement under the Securities Act with respect to the assumption by Parent of the Company Options referred to in Section 5.5 and the Assumed Purchase Rights referred to in this Section 5.6 and with respect to the issuance of Parent Common Shares upon exercise of those Company Options and Assumed Purchase Rights and to keep such registration statement effective throughout the term of such Company Options and Assumed Purchase Rights.

(c) Employees of the Company as of the Effective Time shall be permitted to participate in Parent's Employee Stock Purchase Plan commencing on the first enrollment date following the Effective Time, subject to compliance with the eligibility provisions of such plan (with employees receiving credit, for purposes of such eligibility provisions, for service with the Company).

5.7 Agreements of Affiliates. The Company shall promptly deliver to Parent a letter (the "Affiliate Letter") identifying all persons who are, or may be deemed to be, at the time of the Company Stockholders' Meeting, "affiliates" of the Company for purposes of Rule 145 under the Securities Act. The Company shall use its best efforts to cause each person who is identified as an "affiliate" in the Affiliate Letter to deliver to Parent, and Parent shall use its best efforts to receive from its own affiliates, as promptly as practicable, but in no event later than the date on which the Joint Proxy Statement/Prospectus is mailed to stockholders, a written agreement (an "Affiliate Agreement") in substantially the form of Exhibit B-1 hereto (in the case of affiliates of Parent) and Exhibit B-2 hereto (in the case of affiliates of the Company).

5.8 Voting Agreements. Concurrently with the date upon which the Joint Proxy Statement/Prospectus is mailed to the holders of Company Common Shares and Parent Common Shares, all executive officers and certain directors of both the Company and Parent shall each execute and deliver a Voting Agreement in substantially the form of Exhibit C-1 hereto (in the case of officers and directors of Parent) and Exhibit C-2 hereto (in the case of officers and directors of the Company), and all such agreements shall be in full force and effect.

5.9 Indemnification and Insurance.

(a) From and after the Effective Time, (i) the Continuing Corporation and Parent will fulfill and honor in all respects the obligations of the Company and its subsidiaries pursuant to the indemnification provisions in the Company's Articles of Incorporation and By-Laws existing as in effect on the date hereof with respect to the

Company's directors and officers (including without limitation advancement of legal and other expenses to the extent provided for in such Articles of Incorporation and By-Laws), and (ii) in the event any of the Company's directors or officers is or becomes involved in any capacity in any action, proceeding or investigation in connection with any matter relating to this Agreement or the Amalgamation Agreement or the transactions contemplated hereby or thereby occurring on or prior to the Effective Time, Parent shall, or shall cause the Continuing Corporation to, pay as incurred such reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith, subject to an undertaking to repay such amounts as required by applicable law.

(b) From and after the Effective Time, the Continuing Corporation and Parent shall, to the fullest extent permitted under applicable law or under the Continuing Corporation's and Parent's, as the case may be, By-Laws, indemnify and hold harmless, each present director, officer, employee, fiduciary and agent of the Company or any of its subsidiaries (collectively, the "Indemnified Parties") against any costs or expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement and the Amalgamation Agreement), and to pay as incurred such legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith, subject to an undertaking to repay such amounts as required by applicable law. The Indemnified Parties as a group may retain only one law firm to represent them with respect to any single action unless there is, under applicable standards of professional conduct, a conflict of interest between the positions of any two or more Indemnified Parties. Any counsel retained by the Indemnified Parties shall be reasonably satisfactory to Parent and Parent shall not be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld).

(c) The provisions of this Section 5.9 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and representatives and may not be amended, altered or repealed without the prior written consent of the affected Indemnified Party.

(d) For a period of five years after the Effective Time, Parent and Dutchco will, or will cause the Continuing Corporation to, provide officers' and directors' liability insurance in respect of acts or omissions occurring on or prior to the Effective Time covering each such person currently covered by the Company's officers' and directors' liability insurance policy on terms substantially similar to those of such policy in effect on the date hereof.

5.10 Notification of Certain Matters. The Company shall give prompt notice to Parent and Dutchco, and Parent and Dutchco shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause, or does cause, any representation or warranty contained in this Agreement to be untrue or inaccurate or (ii) any failure of the Company, or any member of the Parent Group as the case may be, materially to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement; provided further that failure to provide such notice shall not be treated as a breach for purposes of Section 7.1(g) unless failure to give such notice results in material prejudice to Parent.

5.11 Further Action. Upon the terms and subject to the conditions hereof, each of the parties hereto shall use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and the Amalgamation Agreement, to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to otherwise satisfy or cause to be satisfied all conditions precedent to its obligations under this Agreement. Each member of the Parent Group and the Company shall use its best efforts to cause the Transactions to fail to qualify, will take any actions (that do not materially adversely affect such party) to cause the Transactions to fail to qualify, and will not (both before and after consummation of the Transactions) take any actions which cause such Transactions to qualify,

as a reorganization under the provisions of Section 368 of the Code or a transaction described in Section 351 of the Code.

5.12 Public Announcements. Parent (on behalf of each member of the Parent Group) and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to the Transactions or this Agreement and shall not issue any such press release or make any such public statement without the prior consent of the other party, which shall not be unreasonably withheld; provided, however, that a party may, without the prior consent of the other party, issue such press release or make such public statement as may upon the advice of counsel be required by law, the National Association of Securities Dealers, Inc. or the Nasdaq National Market or any other regulatory body to which such party is subject if it has used all reasonable efforts to consult with the other party as to the timing and content of such release or statement.

5.13 Listing of Parent Common Shares. Parent shall cause the shares of Parent Common Stock to be issued in connection with the Transactions (including shares of Parent Common Stock delivered by Dutchco as a result of rights attaching to the Exchangeable Shares) to be approved for listing on the Nasdaq National Market, subject to official notice of issuance, prior to the Effective Time.

5.14 Conveyance Taxes. Parent, Dutchco and the Company shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes which become payable in connection with the transactions contemplated hereby that are required or permitted to be filed on or before the Effective Time.

5.15 Pooling Letters.

(a) The Company shall use its best efforts to cause to be delivered to Parent a letter of Arthur Andersen & Cie, addressed to the Company, dated as of a date within two business days prior to the Effective Time, setting forth that the Company will qualify as a combining company in a pooling-of-interests transaction under Opinion 16 of the Accounting Principles Board and applicable SEC rules and regulations (the "Arthur Andersen Pooling Letter").

(b) Parent shall use its best efforts to cause to be delivered to the Company a letter of Ernst & Young LLP, addressed to Parent, dated as of a date within two business days prior to the Effective Time, setting forth the concurrence of Ernst & Young LLP with the conclusion of Parent's management that the Transactions will qualify as a pooling-of-interests transaction under Opinion 16 of the Accounting Principles Board and applicable SEC rules and regulations if consummated in accordance with the terms of this Agreement and the Ancillary Documents (the "Ernst & Young Pooling Letter").

5.16 Pooling Accounting Treatment. Each of Parent and the Company agrees not to take any action that would adversely affect the ability of Parent to treat the Transactions as a pooling of interests under US GAAP.

5.17 Ancillary Documents/Reservation of Shares.

(a) Provided all other conditions of this Agreement have been satisfied or waived, the Company, Giants Quebec and Amalgamation Sub shall, as promptly as practicable thereafter, jointly file Articles to give effect to the Amalgamation, such Articles to contain share conditions for the Continuing Corporation substantially in the form of those contained in Appendix A to the Amalgamation Agreement.

(b) Immediately after the Effective Time:

(i) Parent, Dutchco and the Continuing Corporation shall execute and deliver a Support Agreement between Parent, Dutchco and the Continuing Corporation containing the terms and conditions set forth in Exhibit D hereto (the "Support Agreement"), together with such other terms and conditions as may be agreed to by the parties hereto acting reasonably;

(ii) Parent, Dutchco, the Continuing Corporation and a Canadian trust company to be selected by Parent shall execute and deliver a Voting and Exchange Trust Agreement containing the terms and

conditions set forth in Exhibit E hereto (the "Voting and Exchange Trust Agreement"), together with such other terms and conditions as may be agreed to by the parties hereto acting reasonably; and

(iii) Parent shall file with the Secretary of State of the State of Delaware a Certificate of Designation which shall be in substantially the form set forth in Exhibit F hereto.

On and after the Effective Time, Parent and Dutchco shall duly and timely perform all of their respective obligations expressed in this Agreement, the Support Agreement and the Voting and Exchange Trust Agreement and the Amalgamation Agreement, subject to the respective terms thereof. The Amalgamation Agreement and the other documents referred to in this Section 5.17(b) are referred to herein as the "Ancillary Documents."

(c) On or prior to the Effective Time, Parent will reserve for issuance such number of Parent Common Shares as shall be necessary to give effect to the exchanges, conversions and assumptions of options contemplated hereby. On or prior to the Effective Time, Parent and Dutchco shall enter into a stock purchase agreement pursuant to which Dutchco will purchase from Parent the Parent Common Shares to be delivered pursuant hereto and in connection with the Transactions to holders of Company Common Shares at the Effective Time or immediately thereafter and from time to time thereafter upon exercise of the Exchangeable Shares.

5.18 Listing of Class B Shares, Class E Shares and Class F Shares. Unless otherwise agreed to by the parties, the Company, Dutchco and Parent shall cause the Class B Shares, Class E Shares and Class F Shares to be approved for listing on The Winnipeg Stock Exchange or any other prescribed stock exchange for the purposes of Section 115 of the Income Tax Act (Canada), effective as of the time such Class B Shares, Class E Shares, Class F Shares are issued pursuant to the Transactions.

5.19 Tax Elections.

(a) The Company understands that there may be elections under Sections 338(a) and (g) of the Code for the Company and/or the Continuing Corporation.

(b) Eligible holders of Class B Shares who receive Exchangeable Shares on the redemption of their Class B Shares shall be entitled to make an income tax election pursuant to section 85 of the Income Tax Act (Canada) (and the analogous provision of provincial income tax law) with respect to the transfer of their Class B Shares to the Continuing Corporation by providing two signed copies of the necessary election forms to the Continuing Corporation within ninety (90) days following the Effective Time, duly completed with the details of the number of shares transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, subject to the election forms complying with the provisions of the Income Tax Act (Canada) (or applicable provincial income tax law), the Parent and/or Dutchco will cause the forms to be signed by the Continuing Corporation and returned to such holders of Class B Shares (within 60 days after the receipt thereof) for filing with Revenue Canada, Customs, Excise and Taxation (or the applicable provincial taxing authority). With the exception of execution or causing execution of the election by the Continuing Corporation, compliance with the requirements for a valid election shall be the sole responsibility of the holder making the election. For purposes of this provision an eligible holder is a holder who is a Canadian resident for purposes of the Income Tax Act (Canada) other than a person who is exempt from tax under the Income Tax Act (Canada) or which is a partnership that owns such shares if one or more of its members would be entitled to make such election if such member held such shares directly.

5.20 Board Candidate. Provided that a qualified person having relevant expertise in the area of the Company's core business groups is identified by Parent, Parent shall recommend such person to the Nominating Committee of Parent's Board of Directors.

5.21 Issuance of Class D Shares. Immediately following the Transactions, Parent and Dutchco shall cause the Continuing Corporation to issue the Class D Shares (as defined in the Amalgamation Agreement) solely in exchange for services.

ARTICLE VI

Conditions To The Transactions

6.1 Conditions to Obligation of Each Party to Effect the Transactions. The respective obligations of each party to effect the Transactions shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Effectiveness of the Registration Statements. The Form S-4 shall have been declared effective by the SEC under the Securities Act and shall cover the Parent Common Shares, Exchangeable Shares, Units and Class B Shares issued at or immediately after the Effective Time. The Form S-3 shall have been declared effective by the SEC under the Securities Act and shall cover the Parent Common Shares to be issued upon the exchange of Exchangeable Shares, if no exemption from registration under the Securities Act is available for such shares. No stop order suspending the effectiveness of the Form S-4 or Form S-3, if any, shall have been issued by the SEC and no proceedings for that purpose and no similar proceeding in respect of the Joint Proxy Statement/Prospectus shall have been initiated or threatened by the SEC or any provincial securities regulatory authority in Canada;

(b) Shareholder Approval. This Agreement and the Amalgamation shall have been approved and adopted by the affirmative requisite vote of the shareholders of the Company, and the Parent Stock Issuance shall have been approved and adopted by the affirmative requisite vote of the stockholders of Parent;

(c) HSR Act. The waiting period applicable to the consummation of the Transactions under the HSR Act shall have expired or been terminated;

(d) QSC, Etc. The Company, Parent and Dutchco each shall have filed all notices and information (if any) required under (i) the Investment Canada Act (Canada) and shall have received a notice (if required) from the responsible Minister under the Investment Canada Act (Canada) that he is satisfied or deemed to be satisfied that the transactions contemplated by this Agreement and the Ancillary Documents are likely to be of net benefit to Canada, and (ii) Part IX of the Competition Act (Canada) and the applicable waiting period shall have expired. Parent and Company shall have obtained from the Quebec Securities Commission and other relevant securities commissions and authorities such orders or exemptions as may be required in order to permit the resale at any time by holders of Parent Common Shares received from time to time pursuant hereto on the Nasdaq National Market;

(e) No Injunctions or Restraints; Illegality. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition (an "Injunction") preventing the consummation of the Transactions shall be in effect, nor shall any proceeding brought by any administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, seeking any of the foregoing be pending; and there shall not be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Transactions, which makes the consummation of the Transactions illegal. If an injunction shall have been issued, each party agrees to use its reasonable diligent efforts to have such Injunction lifted;

(f) Nasdaq Listing. The Parent Common Shares issued or issuable in the Transactions and any additional Parent Common Shares issued as a result of the exercise of rights attaching to the Exchangeable Shares, Class B Shares and Units shall have been approved for listing, subject to notice of issuance, on the Nasdaq National Market;

(g) Tax Opinions. Parent and Dutchco and the Company shall each have received substantially identical written opinions from their counsel, Aird & Berlis and Stikeman, Elliott, respectively, in form and substance reasonably satisfactory to them, to the effect that, provided that (i) the adjusted cost base to a holder of Class B Shares that are redeemed by the Continuing Corporation for Exchangeable Shares in connection with the Transactions exceeds the aggregate of (A) the fair market value of the rights to be received by such holder under the Voting and Exchange Trust Agreement in respect of such holder's Exchangeable Shares and (B) any cash received by such holder in lieu of a fraction of an Exchangeable Share, and (ii) the holder files the appropriate elections with the relevant tax authorities within the required time such that the holder's proceeds of disposition do not exceed the adjusted cost base to the holder of such Class B Shares, such holder will not realize

a capital gain or a capital loss for purposes of the Income Tax Act (Canada) on the Amalgamation or the redemption of the Class B Shares;

(h) Public Corporation. Upon the Amalgamation, the Continuing Corporation will be a "public corporation" under the Income Tax Act (Canada);

(i) Affiliate Agreements. Parent and Dutchco shall have received from each person who is identified in the Affiliate Letter as an "affiliate" of the Company an Affiliate Agreement as set forth in Section 5.7, and each such Affiliate Agreement shall be in full force and effect. The Company shall have received from each person who Parent in good faith determines is an affiliate of Parent, an Affiliate Agreement as set forth in Section 5.7, and each such Affiliate Agreement shall be in full force and effect; and

(j) Pooling Letters. Each of the Company and Parent shall have received the Arthur Andersen Pooling Letter and the Ernst & Young Pooling Letter, respectively.

6.2 Additional Conditions to Obligations of Parent Group Members. The obligations of each member of the Parent Group to effect the Transactions are also subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall be true and correct in all respects on and as of the Effective Time, except (i) for changes contemplated by this Agreement, (ii) for those representations and warranties which address matters only as of a particular date (which shall remain true and correct as of such date) or (iii) where the failure to be true and correct would not have and could not reasonably be expected to have a Material Adverse Effect on the Company, with the same force and effect as if made on and as of the Effective Time, and Parent and Dutchco shall have received a certificate to such effect signed on behalf of the Company by the President and Chief Financial Officer of the Company;

(b) Agreements and Covenants. The Company shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time, and Parent and Dutchco shall have received a certificate to such effect signed on behalf of the Company by the President and Chief Financial Officer of the Company;

(c) Consents Obtained. All material consents, waivers, approvals, authorizations or orders required to be obtained, and all material filings required to be made, by the Company for the authorization, execution and delivery of this Agreement and the Amalgamation Agreement and the consummation by it of the transactions contemplated hereby and thereby shall have been obtained and made by the Company; and

(d) Governmental Actions. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint provision, materially limiting or restricting Parent's conduct or operation of the business of the Company and its subsidiaries following the consummation of the Transactions shall be in effect, nor shall any investigation or other inquiry that is reasonably likely to result in any of the foregoing, nor shall any proceeding brought by an administrative agency or commission or other governmental entity, domestic or foreign, seeking the foregoing be pending or threatened.

6.3 Additional Conditions to Obligation of the Company. The obligation of the Company to effect the Transactions is also subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of the Parent Group contained in this Agreement shall be true and correct in all respects on and as of the Effective Time, except (i) for changes contemplated by this Agreement, (ii) for those representations and warranties which address matters only as of a particular date (which shall remain true and correct as of such date) or (iii) where the failure to be true and correct would not have and could not reasonably be expected to have a Material Adverse Effect on the Company, with the same force and effect as if made on and as of the Effective Time, and the Company shall have received a certificate to such effect signed by the President and Chief Executive Officer of Parent and of Dutchco;

(b) Agreements and Covenants. Each member of the Parent Group shall have performed or complied in all material respects with all agreements and covenants required by this Agreement and the Ancillary

Documents (to the extent they are parties thereto) to be performed or complied with by it on or prior to the Effective Time, and the Company shall have received a certificate to such effect signed by the President and Chief Financial Officer of Parent and of Dutchco; and

(c) Consents Obtained. All material consents, waivers, approvals, authorizations or orders required to be obtained, and all filings required to be made, by any member of the Parent Group for the authorization, execution and delivery of this Agreement and the Ancillary Documents and the consummation by them of the transactions contemplated hereby and thereby shall have been obtained and made by such Parent Group member.

ARTICLE VII

Termination

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, notwithstanding approval thereof by the shareholders of the Company:

(a) by mutual written consent duly authorized by the Boards of Directors of Parent, Dutchco and the Company; or

(b) by either Parent, Dutchco or the Company if the Transactions shall not have been consummated by December 31, 1998 or such later date as may be agreed upon in writing by the parties hereto (the "Final Date"); provided, however, that the Final Date shall be extended on a day-for-day basis (i) for each day that the SEC fails to indicate that it has no further comments with regard to the Joint Proxy Statement beginning 40 days after the filing of such document with the SEC, and (ii) for each day that any necessary waiting period under or compliance with the HSR Act is not completed beginning 45 days after the original filing of the required notice under the HSR Act by the last party to make such filing; and provided, further, that, the right to terminate this Agreement and the Amalgamation Agreement under this Section 7.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Transactions to be consummated on or before such date); or

(c) by either Parent, Dutchco or the Company if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a non-appealable final order, decree or ruling or taken any other action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the Transactions (provided, however, that no party which has not complied with its obligations under Section 5.4 may terminate this Agreement pursuant to this Section 7.1(c)); or

(d) by either Parent, Dutchco or the Company, if, at either the Company Shareholders' Meeting or the Parent Stockholders' Meeting (including any adjournment or postponement thereof), the requisite affirmative vote of stockholders shall not have been obtained (provided, however, that no party which has not complied with its obligations under Section 5.1 or 5.2 may terminate this Agreement pursuant to this Section 7.1(d)); or

(e) by Parent or Dutchco, if (i) the Board of Directors of the Company shall withdraw, modify or change its recommendation of the Transactions referred to in Section 5.1 in a manner adverse to Parent or Dutchco or shall have resolved to do so; or (ii) the Board of Directors of the Company shall have recommended to its stockholders, or publicly announced a "neutral" position with respect to, an Acquisition Proposal (as defined in Section 4.2(a)), or shall have failed to reject as inadequate, or shall have failed to reaffirm its recommendation of this Agreement and the Transactions within ten business days after the public announcement or commencement of such Acquisition Proposal; or

(f) by the Company, if the Board of Directors of the Parent or Dutchco shall withdraw, modify or change its recommendation in favor of the Parent Stock Issuance, or shall have resolved to do so; or

(g) by (i) the Company, upon a breach of any representation, warranty, covenant or agreement on the part of any member of the Parent Group set forth in this Agreement or the Amalgamation Agreement or if any representation or warranty of the Parent Group shall have become untrue, such that the conditions set forth in Section 6.3(a) or 6.3(b) would not be satisfied, or (ii) Parent or Dutchco, upon a breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement or if any representation

or warranty of the Company shall have become untrue, such that the conditions set forth in Section 6.2(a) or 6.2(b) would not be satisfied (in either case, a "Terminating Breach"), provided, however, that if such Terminating Breach is curable prior to the expiration of 30 days from its occurrence (but in no event later than December 31, 1998) by a Parent Group member or the Company, as the case may be, through the exercise of its reasonable best efforts and for so long as Parent, Dutchco and/or Amalgamation Sub or the Company, as the case may be, continues to exercise such reasonable best efforts, neither the Company nor Parent and/or Amalgamation Sub, respectively, may terminate this Agreement under this Section 7.1(g) until the earlier of December 31, 1998 or the expiration of such 30-day period without such Terminating Breach having been cured; or

(h) by either Parent, Dutchco or the Company, if the Board of Directors of the Company shall have recommended, resolved to accept, or accepted, a Superior Proposal.

7.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 7.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto or any of its affiliates, directors, officers or stockholders except (i) as set forth in Section 7.3 and the last sentence of Section 8.1 hereof, and (ii) nothing herein shall relieve any party from liability for any willful breach hereof.

7.3 Fees and Expenses.

(a) Except as set forth in this Section 7.3, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such expenses, whether or not the Transactions are consummated.

(b) Payments by Company to Dutchco.

(i) If there shall have occurred any of the following events:

(A) The Board of Directors of the Company shall have withheld, withdrawn or modified in a manner adverse to Parent its recommendation in favor of adoption and approval of this Agreement and approval of the Transactions as permitted by Section 5.1, and at or prior to the time of such action by the Company there shall not have occurred a Material Adverse Effect on Parent, and there shall have occurred a Superior Proposal which shall have been publicly disclosed and not withdrawn;

(B) The Board of Directors of the Company shall have recommended a Superior Proposal (other than Dutchco's) to the shareholders of the Company;

(C) The Company shall have failed to convene the Company Shareholder's Meeting by December 24, 1998 and there is an Acquisition Proposal outstanding at such time; or

(D) The vote of the shareholders of Company approving and adopting this Agreement and approving the consummation of the Amalgamation shall not have been obtained by reason of the failure to obtain the required vote upon a vote taken at a meeting of shareholders duly convened therefor or any adjournment thereof (a "Company Negative Vote"), and prior to such Company Negative Vote there shall have occurred an Acquisition Proposal with respect to the Company which shall have been publicly disclosed and not withdrawn;

then the Company shall pay to Dutchco (1) an amount equal to US $5,000,000 within one business day following the earlier to occur of (x) termination of this Agreement pursuant to Section 7.1(b), Section 7.1(e) or Section 7.1(h), and (y) a Company Negative Vote, plus (2) if any Acquisition Proposal is consummated within 9 months after the time for such payment under clause (1), an amount equal to US $15,000,000 less any amounts paid under the preceding clause (1) within one business day following demand therefor after such consummation.

(ii) If no payment shall have been required pursuant to Section 7.3(b)(i) and the Board of Directors of the Company shall have withheld, withdrawn or modified in a manner adverse to Parent its recommendation in favor of adoption and approval of this Agreement and approval of the

Transactions as permitted by Section 5.1, and at or prior to the time of such action by the Company there shall not have occurred a Material Adverse Effect on Parent and there shall not be a Superior Proposal at that time outstanding, then the Company shall pay to Dutchco US $15,000,000 following the earlier to occur of (x) termination of this Agreement pursuant to Section 7.1(e) or (y) a Company Negative Vote.

(iii) If no payment shall have been required pursuant to clauses 7.3(b)(i) or 7.3(b)(ii) and (A) there shall be a Company Negative Vote and at or prior to the time of such Company Negative Vote, there shall not have occurred a Material Adverse Effect with respect to Parent, or (B) this Agreement is terminated by Dutchco pursuant to Section 7.1(g), then Company shall pay to Dutchco an amount equal to US $5,000,000 within one business day following the earlier to occur of (A) termination of this Agreement pursuant to Section 7.1(g), or (B) a Company Negative Vote.

(c) Payments by Dutchco to the Company.

(i) If the Board of Directors of Parent shall have withheld, withdrawn or adversely modified its recommendation in favor of the Parent Stock Issuance as permitted by Section 5.1, and at or prior to the time of such action by Parent there shall not have occurred a Material Adverse Effect on the Company, then Dutchco shall pay US $15,000,000 within one business day following the earlier of (A) termination of this Agreement pursuant to Section 7.1(f) or (B) a Parent Negative Vote (as defined below).

(ii) If (A) the vote of the stockholders of Parent approving the Parent Stock Issuance shall not have been obtained by reason of the failure to obtain the required vote upon a vote taken at a meeting of stockholders duly convened therefor or any adjournment thereof (a "Parent Negative Vote") and at or prior to the time of such Parent Negative Vote, there shall not have occurred a Material Adverse Effect with respect to the Company, (B) this Agreement is terminated by the Company pursuant to Section 7.1(g), or (C) Parent shall have failed to convene the Parent Stockholder's Meeting by December 24, 1998, then Dutchco shall pay to the Company an amount equal to US $5,000,000 within one business day following the earlier to occur of (A) termination of this Agreement pursuant to Section 7.1(d) or Section 7.1(g), or (B) a Parent Negative Vote.

(d) Payment of the amounts described in Section 7.3(b) and (c) above shall not be in lieu of damages incurred by a party for breach of this Agreement.

(e) Any fees or expenses incurred by Parent shall be borne by Dutchco to the extent agreed by Parent and Dutchco.

ARTICLE VIII

General Provisions

8.1 Effectiveness of Representations, Warranties and Agreements. Except as otherwise provided in this Section 8.1, the representations, warranties and agreements of each party hereto shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any other party hereto, any person controlling any such party or any of their officers or directors, whether prior to or after the execution of this Agreement. The representations, warranties and agreements in this Agreement shall terminate upon consummation of the Transactions or upon the termination of this Agreement pursuant to Section 7.1, as the case may be, except that any agreement contemplated by this Agreement which, by its terms, does not terminate until a later date and the agreements set forth in Sections 5.5, 5.6, 5.9, the ultimate paragraph of Section 5.17(b) and Sections 5.17(c), 5.18 and 5.19 shall survive the consummation of the Transactions indefinitely and those set forth in Section 7.3 and the final sentence of Section 5.3 shall survive termination indefinitely. The Confidentiality Agreement(s) shall survive termination of this Agreement as provided therein.

8.2 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, if delivered personally, three days after being sent by registered or certified mail (postage prepaid, return receipt requested), one day after dispatch by recognized overnight courier (provided delivery is confirmed by the courier), and upon transmission by telecopy, confirmed received, to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address shall be effective upon receipt) or sent by electronic transmission, with confirmation received, to the telecopy number specified below:

(a) If to Parent, Dutchco, Giants Quebec, ACI or Amalgamation Sub:

Autodesk, Inc.
20400 Stevens Creek Boulevard
Cupertino, CA 95401-2217
Fax No.: (408) 517-1886
Attention: Marcia K. Sterling
Vice President Business Development, General Counsel and Secretary

With a copy to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
Fax No.: (650) 493-6811
Attention: Mark A. Bertelsen

and

Aird & Berlis
BCE Place
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario M5J 2T9
Fax No.: (416) 863-1515
Attention: Jay A. Lefton

(b) If to the Company:

Discreet Logic Inc.
10 Duke Street
Montreal, Quebec Canada H3C 2L7
Fax No.: (514) 393-3996
Attention: Francois Plamondon
Executive Vice President, Chief Financial Officer, Treasurer and Secretary

With a copy to:

Testa, Hurwitz & Thibeault, LLP
High Street Tower
125 High Street
Boston, MA 02110
Fax No.: (617) 248-7100
Attention: Mark J. Macenka

and to:

Stikeman, Elliott
1155 Rene Levesque Boulevard West
Suite 4000
Montreal, Quebec H3B 3V2
Fax No.: (514) 397-3222
Attention: Christine Desaulniers

8.3 Certain Definitions. For purposes of this Agreement, the term:

(a) "affiliates" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first-mentioned person; including, without limitation, any partnership or joint venture in which the Company (either alone, or through or together with any other subsidiary) has, directly or indirectly, an interest of 10 percent or more;

(b) "business day" means any day other than a Saturday, Sunday or a day when banks are not open for business in either of San Francisco, California and Montreal, Quebec;

(c) "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise;

(d) "person" means an individual, corporation, partnership, association, trust, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act); and

(e) "subsidiary" or "subsidiaries" of the Company, the Continuing Corporation, Parent or any other person means any corporation, partnership, joint venture or other legal entity of which the Company, the Continuing Corporation, Parent or such other person, as the case may be (either alone or through or together with any other subsidiary), owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

8.4 Amendment. This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after approval of the Transactions by the shareholders of the Company, no amendment may be made which by law requires further approval by such shareholders without such further approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

8.5 Waiver. At any time prior to the Effective Time, any party hereto may with respect to any other party hereto (a) extend the time for the performance of any of the obligations or other acts, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

8.6 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

8.8 Entire Agreement. This Agreement, together with the Amalgamation Agreement and the Confidentiality Agreement, constitutes the entire agreement and supersedes all prior agreements and undertakings (other than the Amalgamation Agreement and the Confidentiality Agreement), both written and oral, among the parties, or any of them, with respect to the subject matter hereof and, except as otherwise expressly provided herein, are not intended to confer upon any other person any rights or remedies hereunder.

8.9 Assignment; Amalgamation Sub/Dutchco.

(a) This Agreement shall not be assigned by operation of law or otherwise, except that any member of the Parent Group may assign all or any of its respective rights hereunder to any subsidiary of Parent provided

that no such assignment shall relieve the assigning party of its obligations hereunder. The Company agrees that prior to the Effective Time, it may amend the Amalgamation Agreement to provide for the amalgamation of one or more of Parent's Canadian subsidiaries with the Company; provided, however, that, such amalgamation does not, in any respect adversely affect the ability of the parties to complete the transaction contemplated hereby or, affect the economic terms of the transactions contemplated hereby to the holders of the Company Common Shares, including, without limitation, the tax treatment to holders who elect to receive Exchangeable Shares.

(b) Parent undertakes to the Company that Parent shall cause Dutchco to perform in a due and timely manner all of its obligations hereunder and to be performed by it under the Ancillary Documents and in connection with the implementation of the Transactions and that Parent shall cause Dutchco to refrain from taking or omitting to take any action which would have an adverse economic effect on the implementation of the Transactions as contemplated herein.

8.10 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 5.8 (which is intended to be for the benefit of the Indemnified Parties and may be enforced by such Indemnified Parties).

8.11 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.12 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS EXECUTED AND FULLY PERFORMED WITHIN THE STATE OF CALIFORNIA, EXCEPT TO THE EXTENT MANDATORILY GOVERNED BY QUEBEC LAW.

8.13 Choice of Language. The parties hereto confirm that it is their wish that this Agreement, as well as all other documents related hereto, including legal notices, have been and shall be drawn up in the English language only. Les parties si-dessous confirment leur desir que cet accord ainsi que tous les documents, y compris tous avis qui s'y rattachent, soient rediges en langue Anglaise.

8.14 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

8.15 Guarantee. Parent and Dutchco hereby unconditionally and irrevocably guarantee the full and punctual performance of the Continuing Corporation's obligations hereunder and pursuant to the Amalgamation Agreement.

[Remainder of Page Intentionally Left Blank]

In Witness Whereof, Parent, Dutchco, Amalgamation Sub, Giants Quebec, ACI and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

"Parent"

Autodesk, Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
Chief Executive Officer

"Dutchco"

Autodesk Development B.V.

/s/ Michael E. Sutton
By:_____
Michael E. Sutton
Directeur

"Amalgamation Sub"

9066-9771 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"ACI"

Autodesk Canada Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
President

"Giants Quebec"

9066-9854 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"Company"

Discreet Logic Inc.

/s/ Francois Plamondon
By:_____
Francois Plamondon
Executive Vice President and
Chief Financial Officer

AMENDMENT TO SECOND AMENDED AND RESTATED AGREEMENT AND PLAN OF ACQUISITION AND AMALGAMATION

This Amendment (the "Amendment") to the Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation by and among Autodesk, Inc. ("Parent"), Autodesk Development B.V. ("Dutchco"), 9066-9771 Quebec Inc. ("Amalgamation Sub"), Autodesk Canada Inc. ("ACI"), 9066-9854 Quebec Inc. ("Giants Quebec") and Discreet Logic Inc. (the "Company") dated as of November 18, 1998 (the "Second Amended and Restated Agreement"), is entered into by and among each of the parties to the Second Amended and Restated Agreement effective as of December 18, 1998.

RECITALS

Whereas, Parent, Dutchco, Amalgamation Sub, ACI, Giants Quebec and the Company entered into an Agreement and Plan of Acquisition and Arrangement dated as of August 20, 1998, which was subsequently amended and restated in its entirety by the parties in the Amended and Restated Agreement and Plan of Acquisition and Amalgamation dated as of September 23, 1998, and again amended and restated in its entirety in the Second Amended and Restated Agreement;

Whereas, the Second Amended and Restated Agreement provides, among other things, that upon the terms and subject to the conditions thereof, immediately following the amalgamation (the "Amalgamation") of Amalgamation Sub, Giants Quebec (to which ACI will assign, prior to the Amalgamation, substantially all its assets) and the Company, whereupon each outstanding Company Common Share shall be converted into one Class B Share of the Continuing Corporation resulting from the Amalgamation, the Class B Shares of the Continuing Corporation automatically will be, based on the prior election of their holder, either (i) redeemed by the Continuing Corporation for 0.48 exchangeable shares in the share capital of the Continuing Corporation, subject to proration in certain instances, or (ii) converted into units comprised of one Class E Share and one Class F Share of the Continuing Corporation, which units will be acquired by Dutchco in exchange for 0.48 shares of Parent Common Stock; and

Whereas, the parties now desire to amend Article VII of the Second Amended and Restated Agreement to effect certain changes to the termination provisions thereof;

AGREEMENT

Now, therefore, in consideration of the foregoing and of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination. Article VII of the Second Amended and Restated Agreement is hereby amended as follows:

(a) Section 7.1(g) shall be amended such that each reference to "December 31, 1998" shall be replaced with a reference to "the Final Date".

(b) Section 7.3(b)(i)(C) shall be amended such that the reference to "December 24, 1998" shall be replaced with a reference to "February 23, 1999".

(c) Section 7.3(c)(ii) shall be amended such that the reference to "December 24, 1998" shall be replaced with a reference to "February 23, 1999".

2. General.

(a) All other terms and conditions of the Second Amended and Restated Agreement, including without limitation the representations, warranties, covenants and agreements of the respective parties, shall remain in full force and effect without other or further amendment or modification, fully applying to the Second Amended and Restated Agreement as amended by this Amendment.

(b) Each capitalized term used in this Amendment but not defined herein shall have the meaning ascribed to it in the Second Amended and Restated Agreement. All section references in this Agreement are to the Second Amended and Restated Agreement.

(c)This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

In witness whereof, the parties hereto have caused this Amendment to be executed by their respective duly authorized officers as of the date first above written.

"Parent"

Autodesk, Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
Chief Executive Officer

"Dutchco"

Autodesk Development B.V.

/s/ Michael E. Sutton
By:_____
Michael E. Sutton
Directeur

"Amalgamation Sub"

9066-9771 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"ACI"

Autodesk Canada Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
President

"Giants Quebec"

9066-9854 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"Company"

Discreet Logic Inc.

/s/ Francois Plamondon
By:_____
Francois Plamondon
Executive Vice President and
Chief Financial Officer

AMENDMENT NO. 2 TO SECOND AMENDED AND RESTATED AGREEMENT AND PLAN OF ACQUISITION AND AMALGAMATION

This Amendment No. 2 (the "Second Amendment") to the Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation by and among Autodesk, Inc. ("Parent"), Autodesk Development B.V. ("Dutchco"), 9066-9771 Quebec Inc. ("Amalgamation Sub"), Autodesk Canada Inc. ("ACI"), 9066-9854 Quebec Inc ("Giants Quebec") and Discreet Logic Inc (the "Company") dated as of November 18, 1998 (the "Second Amended and Restated Agreement"), as amended by the Amendment dated December 18, 1998 (the "First Amendment"), is entered into by and among each of the parties to the Second Amended and Restated Agreement effective as of January 18, 1999.

RECITALS

Whereas, Parent, Dutchco, Amalgamation Sub, ACI, Giants Quebec and the Company entered into an Agreement and Plan of Acquisition and Arrangement dated as of August 20, 1998, which was subsequently amended and restated in its entirety by the parties in the Amended and Restated Agreement and Plan of Acquisition and Amalgamation dated as of September 23, 1998, and again amended and restated in its entirety in the Second Amended and Restated Agreement;

Whereas, the Second Amended and Restated Agreement provides, among other things, that upon the terms and subject to the conditions thereof, immediately following the amalgamation (the "Amalgamation") of Amalgamation Sub, Giants Quebec (to which ACI will assign, prior to the Amalgamation, substantially all its assets) and the Company, whereupon each outstanding Company Common Share shall be converted into one Class B Share of the Continuing Corporation resulting from the Amalgamation, the Class B Shares of the Continuing Corporation automatically will be, based on the prior election of their holder, either (i) redeemed by the Continuing Corporation for 0.48 exchangeable shares in the share capital of the Continuing Corporation, subject to proration in certain instances, or (ii) converted into units comprised of one Class E Share and one Class F Share of the Continuing Corporation, which units will be acquired by Dutchco in exchange for 0.48 shares of Parent Common Stock; and

Whereas, the parties now desire to amend the Exchange Ratio set forth in the Second Amended and Restated Agreement, and to make certain representations and warranties to each other as of the date hereof;

AGREEMENT

Now, Therefore, in consideration of the foregoing and of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Exchange Ratio. The recitals to the Second Amended and Restated Agreement are hereby amended such that all occurrences in the recitals of the term "0.48" shall be replaced in each case with "0.33" and the term "Exchange Ratio" shall be defined as 0.33.

2. Representations and Warranties of the Company. The Company hereby represents to each member of the Parent Group as of the date hereof, subject to the Company Disclosure Schedule dated as of the date of the Original Agreement:

(a) Authority. The Company has all necessary corporate power and authority to execute and deliver this Second Amendment and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Second Amendment by the Company and the consummation by the Company of the transactions contemplated thereby have been duly and validly authorized

by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Second Amendment or to consummate the Transactions, other than the approval and adoption of the Second Amended and Restated Agreement, as amended, and confirmation of by-law No. 1998-1 approving the Amalgamation by the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding Company Shares who are permitted to, and who, vote at the Company Shareholders' Meeting in accordance with the Quebec Act. The Board of Directors of the Company has determined that it is advisable and in the best interests of the Company's shareholders for the Company to enter into a business combination with Parent upon the terms and subject to the conditions of the Second Amended and Restated Agreement, as amended, and to recommend that the shareholders of the Company approve same. This Second Amendment has been duly and validly executed and delivered by the Company, and assuming the due authorization, execution and delivery hereof by each member of the Parent Group, constitutes a legal, valid and binding obligation of the Company.

(b) No Conflict. The execution and delivery of this Second Amendment by the Company does not, and the performance of the Company's obligations under this Second Amendment will not, (i) conflict with or violate the Articles of Incorporation or By-Laws or equivalent organizational documents of the Company or any of its subsidiaries, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to the Company or any of its subsidiaries or by which its or any of their respective properties is bound or affected, or (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default), or impair the Company's or any of its subsidiaries' rights or, to the Company's knowledge, alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of any Covered Agreement, or result in the creation of a lien or encumbrance on any of the properties or assets of the Company or any of its subsidiaries pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or its or any of their respective properties is bound or affected, except in the case of (ii) and (iii) for any such conflicts, violations, breaches, defaults, terminations, cancellations or accelerations which would not have a Material Adverse Effect.

(c) Required Filings. The execution and delivery of this Second Amendment by the Company does not, and the performance of the transactions contemplated hereby and by the Second Amended and Restated Agreement, as amended, will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, to be made or obtained by the Company, except (i) for applicable requirements, if any, of the Securities Act, the Exchange Act, Blue Sky Laws, the pre-merger notification requirements of the HSR Act, the QSA and other relevant Canadian securities statutes, filing with Industry Canada under the Investment Canada Act (Canada), filing under the Competition Act (Canada) and the filing and recordation of appropriate documents as required by the Quebec Act in connection with the Amalgamation and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Amalgamation, or otherwise prevent or materially delay the Company from performing its obligations under this Second Amendment or the Second Amended and Restated Agreement, as amended, or would not otherwise have a Material Adverse Effect.

(d) Opinion of Financial Advisor. The Company has received an oral opinion from its financial advisor, Volpe Brown Whelan & Company (to be subsequently confirmed in writing), to the effect that, as of the date hereof, the consideration to be received by the shareholders of the Company pursuant to the Second Amendment and the Second Amended and Restated Agreement, as amended, is fair to such shareholders from a financial point of view.

3. Representations and Warranties of the Parent Group. Each member of the Parent Group hereby represents to the Company as of the date hereof, subject to the Parent Disclosure Schedule dated as of the date of the Original Agreement:

(a) Authority. Each member of the Parent Group has all necessary corporate power and authority to execute and deliver this Second Amendment and to perform its obligations hereunder and to consummate

the transactions contemplated hereby. The execution and delivery of this Second Amendment by each member of the Parent Group and the consummation by each member of the Parent Group of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of each member of the Parent Group, and no other corporate proceedings on the part of any such member are necessary to authorize this Agreement or to consummate the Transactions (other than the approval of the Parent Stock Issuance and/or the adoption of the Second Amendment and Restated Agreement, as amended, and the transactions contemplated thereby by the requisite vote of the stockholders of Parent, to the extent necessary). The Boards of Directors of Parent and Dutchco have determined that it is advisable and in the best interest of Parent's stockholders and Dutchco's stockholder for Parent and Dutchco to enter into a business combination with the Company upon the terms and subject to the conditions of the Second Amended and Restated Agreement, as amended (including by this Second Amendment) and to recommend that the stockholders of Parent approve same. This Second Amendment has been duly and validly executed and delivered by each member of the Parent Group and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each member of the Parent Group.

(b) No Conflict. The execution and delivery of this Second Amendment by each member of the Parent Group do not, and the performance of the Company's obligations under this Second Amendment by each member of the Parent Group will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws (or similar charter documents, as the case may be) of any member of the Parent Group, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or any of its subsidiaries or by which its or their respective properties are bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or impair Parent's or any of its subsidiaries' rights or alter the rights or obligations of any third party under, or to the knowledge of Parent, give to others any rights of termination, amendment, acceleration or cancellation of, any material contract or result in the creation of a lien or encumbrance on any of the properties or assets of Parent or any of its subsidiaries pursuant to any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or any of its subsidiaries is a party or by which Parent or any of its subsidiaries or its or any of their respective properties are bound or affected, except in the case of (ii) and (iii) for any such breaches, defaults or other occurrences that would not have a Material Adverse Effect.

(c) Required Filings. The execution and delivery of this Second Amendment by each member of the Parent Group does not, and the performance of the transactions contemplated hereby and by the Second Amended and Restated Agreement, as amended will not, require any material consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Securities Act, the Exchange Act, the Blue Sky Laws, the pre-merger notification requirements of the HSR Act, relevant Canadian securities statutes, filing with Industry Canada under the Investment Canada Act (Canada), filing under the Competition Act (Canada) and the filing and recordation of appropriate merger or other documents as required by the Quebec Act and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Amalgamation, or otherwise prevent any member of the Parent Group from performing its respective obligations under this Second Amendment, or the Second Amended and Restated Agreement, as amended, and would not have a Material Adverse Effect.

(d) Board Approval. The Board of Directors of Parent has, as of the date of this Second Amendment, determined to recommend that the stockholders of Parent approve the Parent Stock Issuance.

4. Termination. Article VII of the Second Amended and Restated Agreement is hereby amended as follows:

(a) Section 7.3(b)(i)(C) shall be amended such that the reference to "February 23, 1999" shall be replaced with a reference to "March 23, 1999".

(b) Section 7.3(c)(ii) shall be amended such that the reference to "February 23, 1999" shall be replaced with a reference to "March 23, 1999".

5. General.

(a) All other terms and conditions of the Second Amended and Restated Agreement, as amended by the First Amendment, including without limitation the representations, warranties, covenants and agreements of the respective parties, shall remain in full force and effect without other or further amendment or modification, fully applying to the Second Amended and Restated Agreement as amended by the First Amendment and this Second Amendment.

(b) Each capitalized term used in this Second Amendment but not defined herein shall have the meaning ascribed to it in the Second Amended and Restated Agreement. All section references in this Agreement are to the Second Amended and Restated Agreement.

(c) This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

In witness whereof, the parties hereto have caused this Amendment to be executed by their respective duly authorized officers as of the date first above written.

"Parent"

Autodesk, Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
Chief Executive Officer

"Dutchco"

Autodesk Development B.V.

/s/ Michael E. Sutton
By:_____
Michael E. Sutton
Directeur

"Amalgamation Sub"

9066-9771 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"ACI"

Autodesk Canada Inc.

/s/ Carol A. Bartz
By:_____
Carol A. Bartz
President

"Giants Quebec"

9066-9854 Quebec Inc.

/s/ Marcia K. Sterling
By:_____
Marcia K. Sterling
Secretary

"Company"

Discreet Logic Inc.

/s/ Francois Plamondon
By:_____
Francois Plamondon
Executive Vice President and
Chief Financial Officer

EXHIBIT 2.2

THIS SECOND AMENDED AND RESTATED AMALGAMATION AGREEMENT ("Agreement") is made as of the 18th day of January, 1999

BETWEEN:

DISCREET LOGIC INC., a company incorporated under the laws of Quebec

(the "Company")

--and--

9066-9854 QUEBEC INC., a company incorporated under the laws of Quebec

("Autodesk Quebec")

--and--

9066-9771 QUEBEC INC., a company incorporated under the laws of Quebec

("Amalgamation Sub")

--and--

AUTODESK, INC., a corporation incorporated under the laws of Delaware

("Autodesk"), as Intervenant

RECITALS:

A. The Company was incorporated under Part 1A of the Companies Act (Quebec), as amended (the "Quebec Act") by certificate of incorporation dated September 10, 1991;

B. Autodesk Quebec was incorporated under Part 1A of the Quebec Act by certificate of incorporation dated August 14, 1998;

C. Amalgamation Sub was incorporated under Part 1A of the Quebec Act by certificate of incorporation dated August 14, 1998;

D. The parties entered into an Amalgamation Agreement dated September 23, 1998 (the "Original Agreement"), which was amended and restated in its entirety by the parties on December 18, 1998 (the "Existing Agreement").

E. The authorized share capital of the Company consists of an unlimited number of common shares (the "Company Common Shares") and an unlimited number of preferred shares;

F. As at December 31, 1998 there were 29,935,666 Company Common Shares issued and outstanding as fully paid and non-assessable shares and there were no preferred shares outstanding;

G. The authorized share capital of Autodesk Quebec consists of an unlimited number of common shares (the "Autodesk Quebec Common Shares");

H. As at the date of this Agreement, one hundred Autodesk Quebec Common Shares were issued and outstanding as fully paid and non-assessable shares and are held and beneficially owned indirectly by Autodesk;

I. The authorized share capital of Amalgamation Sub consists of an unlimited number of common shares (the "Amalgamation Sub Common Shares");

J. As at the date of this Agreement, one hundred Amalgamation Sub Common Shares were issued and outstanding as fully paid and non-assessable shares and are held by Autodesk Development B.V. ("Dutchco");

K. The Company, Autodesk Quebec and Amalgamation Sub have agreed to amalgamate pursuant to the Quebec Act upon the terms and conditions set forth in this Agreement; and

L. It is desirable that the Original Agreement and the Existing Agreement be terminated and the amalgamation contemplated by this Agreement be effected.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

ARTICLE 1

Interpretation

1.1 Interpretation. In this Agreement, the following terms shall have the following meanings:

"Affiliate" of any person means any other person directly or indirectly controlled by, or under common control of, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control of"), as applied to any person, means the possession by another person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned person, whether through the ownership of voting securities, by contract or otherwise; provided, however, that any former directors, executive officers or principal shareholders of the Company who may be deemed to be an affiliate of Parent, after the Effective Date, shall not be considered an "Affiliate" for purposes of this Agreement.

"Agreement" means this amalgamation agreement as the same may be amended from time to time and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement.

"Amalgamation" means the amalgamation of the Amalgamating Companies pursuant to the Articles of Amalgamation.

"Amalgamating Companies" means the Company, Autodesk Quebec and Amalgamation Sub.

"Amalgamation Sub" means 9066-9771 Quebec Inc., a company incorporated under the Quebec Act.

"Articles of Amalgamation" means the articles of amalgamation to be filed with the Inspector General of Financial Institutions pursuant to section 123.118 of the Quebec Act to give effect to this Agreement.

"Autodesk Quebec" means 9066-9854 Quebec Inc., a company incorporated under the Quebec Act.

"Business Day" means any day other than a Saturday, Sunday or a day when banks are not open for business in either of San Francisco, California and Montreal, Quebec.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued to the Corporation by the Inspector General of Financial Institutions under the Quebec Act in respect of the Amalgamation.

"Class A Shares" means the Class A voting common shares in the share capital of the Corporation.

"Class B Shares" means the Class B non-voting common shares in the share capital of the Corporation.

"Class C Shares" means the Class C non-voting preferred shares in the share capital of the Corporation.

"Class D Shares" means the Class D non-voting preferred shares in the share capital of the Corporation.

"Class E Shares" means the Class E voting common shares in the share capital of the Corporation.

"Class F Shares" means the Class F non-voting common shares in the share capital of the Corporation.

"Combination Agreement" means the Second Amended and Restated Agreement and Plan of Acquisition and Amalgamation by and among the Parent, Dutchco, Autodesk Canada Inc., the Company, Autodesk Quebec and Amalgamation Sub dated as of November 18, 1998, as amended on December 18, 1998 and January 18, 1999, providing for, among other things, the Amalgamation and related transactions.

"Company" means Discreet Logic Inc., a company incorporated under the Quebec Act.

"Company Common Shares" means the common shares in the share capital of the Company.

"Company Meeting" means the special general meeting of the shareholders of the Company to be held to consider the Amalgamation.

"Corporation" means the company resulting from the Amalgamation.

"Dutchco" means Autodesk Development B.V., a corporation subsisting under the laws of The Netherlands, where applicable, or such other subsidiary of Autodesk or Dutchco to which Dutchco has assigned some or all of its rights under the Combination Agreement.

"Effective Date" means the date of the Amalgamation as set forth in the Certificate of Amalgamation.

"Exchangeable Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares as set forth in Appendix A hereto.

"Exchangeable Shares" means the exchangeable non-voting shares in the share capital of the Corporation.

"Nasdaq" means the Nasdaq National Market of the Nasdaq Stock Market, Inc.

"Parent" means Autodesk, Inc., a body corporate existing under the laws of the State of Delaware.

"Parent Common Shares" means the common shares $0.01 par value per share in the share capital of Parent.

"Quebec Act" means the Companies Act (Quebec), including all regulations made thereunder, all amendments to such statute or regulations from time to time, and any statute or regulation that supplements or supersedes such statute or regulation.

"Special By-Law 1998-1" means the special by-law providing for the Amalgamation adopted by the directors of the Company, the directors of Autodesk Quebec and the directors of Amalgamation Sub and to be confirmed by the shareholders of each of the Amalgamating Companies in accordance with the Quebec Act.

"Subsidiary" means and includes a direct or indirect subsidiary.

1.2 Sections and Headings; Interpretation. The division of this Agreement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to a section or an Appendix refers to the specified section of or Appendix to this Agreement.

1.3 Number, Gender and Persons. In this Agreement, unless the context otherwise requires, words importing the singular number include the plural and vice versa, words importing any gender include all genders

and words importing persons include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind.

1.4 Date for any Action. In the event that any date on or by which any action is required or permitted to be taken hereunder is not a Business Day, such action shall be required or permitted to be taken on or by the next succeeding day which is a Business Day.

1.5 Time. All times expressed herein are local time Montreal, Quebec unless otherwise stipulated herein or therein.

1.6 Currency. Unless otherwise expressly stated herein, all references to currency in this Agreement are to Canadian dollars, being lawful money of Canada, and the sign "$" without more shall mean Canadian dollars.

1.7 Statutory References. Any reference in this Agreement to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.8 Concurrent Approval. It is acknowledged that the completion of the Amalgamation is contingent upon its approval by the requisite majority of the shareholders of the Company, Amalgamation Sub and Autodesk Quebec, which approvals shall have been obtained prior to the Effective Date.

ARTICLE 2

Amalgamation

2.1 Amalgamation. The Amalgamating Companies hereby agree to amalgamate pursuant to the provisions of Chapter XVII of Part 1A of the Quebec Act as at the Effective Date to continue as one company, the Corporation, under the Quebec Act on the terms set forth herein.

2.2 Name. The name of the Corporation shall be Discreet Logic Inc.

2.3 Head Office. The head office of the Corporation shall be located in the Judicial District of Montreal, in the Province of Quebec. Unless changed by the directors of the Corporation, the address of the head office of the Corporation shall be 10 Duke Street, Montreal, Quebec, Canada, H3C 2L7.

2.4 Business and Powers. There shall be no restrictions on the business the Corporation may carry on or on the powers it may exercise.

2.5 Authorized Share Capital. Upon the Amalgamation, the Corporation shall be authorized to issue:

(a) an unlimited number of Class A Shares;

(b) an unlimited number of Class B Shares;

(c) an unlimited number of Class C Shares;

(d) 150,000 non-voting Class D Shares;

(e) an unlimited number of Class E Shares;

(f) an unlimited number of Class F Shares; and

(g) an unlimited number of Exchangeable Shares,

all of which shall be without par value, except for the Exchangeable Shares which shall have a par value provided for in the Exchangeable Share Provisions.

The Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares and the Exchangeable Shares shall have attached thereto the rights, privileges, restrictions and conditions respectively as set out in Appendix A hereto.

2.6 Share Restrictions. There shall be no restrictions on the issue, transfer or ownership of shares of the Corporation.

2.7 Number of Directors. The board of directors of the Corporation will, until otherwise changed in accordance with the Quebec Act, consist of a minimum of three and a maximum of ten directors.

2.8 Initial Directors and Officers. The three initial directors of the Corporation shall be:

Name	Occupation	Office
Eric B. Herr	Executive	President
Steve Cakebread	Executive	Chief Executive Officer
Marcia K. Sterling	Executive	Secretary

These directors will hold office from the Effective Date until the close of business of the annual meeting of shareholders of the Corporation first following the date of this Agreement or until their successors are elected or appointed. The business and affairs of the Corporation will be managed by the directors, subject to the provisions of the Quebec Act.

2.9 By-laws. The by-laws of the Corporation shall be the by-laws of Amalgamation Sub in effect immediately prior to the Amalgamation.

2.10 Fiscal Year. The fiscal year of the Corporation shall end on 31 of each year.

2.11 Officers. Until changed by the directors or until their successors are appointed, from the Effective Date the officers of the Corporation will be as follows:

Name	Office
Eric B. Herr	President
Steve Cakebread	Vice-President
Marcia K. Sterling	Secretary

2.12 Auditors. From the Effective Date until the close of business of the annual meeting of shareholders of the Corporation first following the date of this Agreement, the auditors of the Corporation will be Ernst & Young, Chartered Accountants, unless such auditors resign or are removed.

ARTICLE 3

Issuance of Shares on Amalgamation

3.1 Upon the Amalgamation:

(a) each holder of Amalgamation Sub Common Shares outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class A Share for each Amalgamation Sub Common Share held and the name of each holder thereof shall be added to the register of holders of Class A Shares accordingly and each certificate representing such Amalgamation Sub Common Shares shall continue to evidence ownership of Class A Shares;

(b) each holder of Autodesk Quebec Common Shares outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class C Share for each Autodesk Quebec Common Share held and the name of each holder thereof shall be added to the register of holders of Class C Shares accordingly and each certificate representing such Autodesk Quebec Common Shares shall continue to evidence ownership of Class C Shares; and

(c) each holder of Company Common Shares outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class B Share for each Company Common Share held and the name of each holder thereof shall be added to the register of holders of Class B Shares accordingly and each certificate representing Company Common Shares shall continue to evidence ownership of Class B Shares.

ARTICLE 4

Share Capital

4.1 Share Capital. For purposes of the Quebec Act and the Income Tax Act (Canada):

(a) the issued and paid-up share capital account of the Class A Shares issued in connection with the Amalgamation will be $100.00;

(b) the issued and paid-up share capital account of the Class B Shares issued in connection with the Amalgamation will be the aggregate sum of the aggregate issued and paid-up capital account of all of the outstanding shares of all classes of Amalgamation Sub, Autodesk Quebec and the Company for purposes of the Income Tax Act (Canada) determined immediately before the Amalgamation, minus the amount of issued and paid-up share capital accounts of the Class A Shares and the Class C Shares; and

(c) the issued and paid up share capital account of the Class C Shares issued on the Amalgamation will be equal to the sum of $100.00.

ARTICLE 5

Certificates and Fractional Shares

5.1 Share Certificates. No certificates will be issued in respect of the Class B Shares upon the Amalgamation and, until certificates are issued representing Parent Common Shares or Exchangeable Shares upon (i) the retraction of the Class B Shares for Exchangeable Shares or (ii) the subsequent conversion of the Class B Shares into Class E Shares and Class F Shares, the redemption of Class E Shares and Class F Shares by the Corporation for Parent Common Shares or the purchase by Dutchco of the Class E Shares and the Class F Shares in accordance with their terms, as the case may be, in exchange for certificates which immediately prior to the Effective Date represented Company Common Shares, all Class B Shares, Class E Shares and Class F Shares will be evidenced by certificates representing Company Common Shares.

5.2 Failure to Deposit Certificates Representing Company Common Shares. Any certificate representing Company Common Shares not deposited with all other necessary documents prior to the seventh anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against the Corporation or Parent, as the case may be. On such date, the Exchangeable Shares or the Parent Common Shares, as the case may be, to which the former registered holder of such certificate was entitled shall be deemed to have been surrendered to the Corporation or Parent together with all dividends, distributions and interests held for such former registered holder.

ARTICLE 6

Amendment

6.1 Amendment

(a) The Company, Autodesk Quebec and Amalgamation Sub reserve the right to amend, modify and/or supplement this Agreement at any time and from time to time provided that any such amendment, modification, or supplement must be contained in a written document which is (i) agreed to by the Amalgamating Companies and by Parent and Dutchco pursuant to the Combination Agreement and (ii) communicated to holders of Company Common Shares (if so required).

(b) Any amendment, modification or supplement to this Agreement may be proposed by the Company any time prior to or at the Company Meeting (provided that Parent and Dutchco shall have previously consented thereto unless otherwise permitted by the Combination Agreement) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Company Meeting, shall become part of the Amalgamation for all purposes.

ARTICLE 7

Conditions Precedent to the Amalgamation

7.1 The respective obligations of the parties to this Agreement to consummate the transactions contemplated hereby and, in particular, the Amalgamation, are subject to the satisfaction of the following conditions, any of which may be waived by the mutual consent of such parties without prejudice to the right to rely on any other of such conditions:

(a) the holders of the Company Common Shares shall have confirmed Special By-Law 1998-1, in accordance with the Quebec Act, and the holder of the Autodesk Quebec Common Shares and the holder of the Amalgamation Sub Common Shares shall have confirmed a similar special by-law providing for the Amalgamation;

(b) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Combination Agreement;

(c) all necessary corporate action on the part of the Amalgamating Companies to authorize the consummation of the transactions contemplated by this Agreement shall be complete and effective; and

(d) all conditions set forth in the Combination Agreement shall have been satisfied or waived.

ARTICLE 8

Implementation

8.1 Implementation.

(a) Any director of each of the Amalgamating Companies be and is hereby authorized to execute and file articles on behalf of such director's company giving effect to the Amalgamation and to execute and deliver all other documents and to do all such other acts and things necessary or desirable to give effect to the Amalgamation.

(b) The Directors of the Company are hereby authorized, if they deem appropriate in their sole discretion, to revoke the Special By-Law 1998-1 and to not proceed with the Amalgamation without further approval of the shareholders.

8.2 Effect of Amalgamation. From the date shown on the Certificate of Amalgamation, each of the Amalgamating Companies shall continue their existence as one and the same company and the Corporation shall

possess all of the property, rights and assets of the Amalgamating Companies and shall be liable for all of the liabilities and obligations of the Amalgamating Companies by operation of law.

8.3 Filing of Documents. Subject to the satisfaction or waiver of all conditions precedent set out in Section 7.1 of this Agreement, the Amalgamation will be effected by filing, on or prior to December 31, 1998 or such later date as may be permitted by section 7.1(b) of the Combination Agreement as the directors of each of the Amalgamating Companies may determine, of the Articles of Amalgamation as provided under the Quebec Act together with any and all documents required by the Quebec Act and the regulations thereunder.

8.4 Termination. This Agreement may, at any time prior to the issuance of a Certificate of Amalgamation, be terminated by the parties hereto if the conditions precedent set out in Section 7.1 cannot be met. Notwithstanding this Agreement, this Agreement shall terminate if a Certificate of Amalgamation has not been issued on or prior to December 31, 1998 or such later date as may be permitted under the Combination Agreement.

8.5 Existing Agreement Terminated. This Agreement amends and restates in its entirety the Original Agreement and Existing Agreement. Accordingly, upon the execution and delivery hereof by the parties, the Original Agreement and Existing Agreement shall be terminated in all respects and be of no further force or effect.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

8.7 Entire Agreement. This Agreement constitutes the entire agreement among the parties to this Agreement relating to the Amalgamation and supersedes all prior agreements and understandings, oral and written, between such parties with respect to the subject matter hereof.

8.8 English Language. The parties hereto confirm that it is their wish that this Agreement as well as all other documents relating hereto be drawn upon in English only. Les parties aux presentes confirment leur volonte que cette convention de meme que tous les documents s'y rattachant soient rediges en anglais seulement.

8.9 Guarantee. Autodesk, by its intervention hereto, hereby unconditionally and irrevocably guarantees the full and punctual performance of the Corporation's and Dutchco's obligations hereunder and under the Articles of Amalgamation of the Corporation.

IN WITNESS WHEREOF the parties have executed this Agreement.

Discreet Logic Inc.

By: /s/ Francois Plamondon

Francois Plamondon
Executive Vice President, Chief Financial Officer and Secretary

9066-9054 Quebec Inc.

By: /s/ Marcia K. Sterling

Marcia K. Sterling
Secretary

I have the authority to bind the company

Autodesk, Inc. (As Intervenant)

I have the authority to bind the company

9066-9771 Quebec Inc.

By: /s/ Marcia K. Sterling

Marcia K. Sterling
Secretary

I have the authority to bind the company

By: /s/ Carol A. Bartz

Carol A. Bartz
Chairman of the Board and Chief Executive Officer

I have the authority to bind the corporation

APPENDIX A

SHARE PROVISIONS

Definitions.

For the purposes of these share provisions, except as otherwise indicated:

"Amalgamation" means the amalgamation of Discreet Logic Inc., 9066-9854 Quebec Inc., and 9066-9771 Quebec Inc. under the Quebec Act.

"Board of Directors" means the Board of Directors of the Corporation.

"Business Day" means any day other than a Saturday, a Sunday or a day when banks are not open for business in either or both of San Francisco, California and Montreal, Quebec.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued to the Corporation by the Inspector General of Financial Institutions under the Quebec Act in respect of the Amalgamation.

"Class A Shares" means the Class A voting common shares in the share capital of the Corporation.

"Class B Conversion Time" has the meaning ascribed thereto in Section 5.1 of the provisions attaching to the Class B Shares.

"Class B Retraction Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class B Shares.

"Class B Shares" means the Class B non-voting common shares in the share capital of the Corporation.

"Class C Shares" means the Class C non-voting preferred shares in the share capital of the Corporation.

"Class D Redemption Date" has the meaning ascribed thereto in Section 4.2 of the provisions attaching to the Class D Shares.

"Class D Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class D Shares.

"Class D Shares" means the Class D non-voting preferred shares in the share capital of the Corporation.

"Class E Redemption Call Purchase Price" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class E Shares.

"Class E Redemption Call Right" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class E Shares.

"Class E Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class E Shares.

"Class E Redemption Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class E Shares.

"Class E Shares" means the Class E voting common shares in the share capital of the Corporation.

"Class F Redemption Call Purchase Price" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class F Shares.

"Class F Redemption Call Right" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class F Shares.

"Class F Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class F Shares.

"Class F Redemption Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class F Shares.

"Class F Shares" means the Class F non-voting common shares in the share capital of the Corporation.

"Company" means Discreet Logic Inc., a predecessor to the Corporation.

"Company Common Shares" means the common shares of the Company.

"Company Meeting" means the special general meeting of the shareholders of the Company to be held to consider the Amalgamation.

"Corporation" means the company resulting from the Amalgamation.

"Current Market Price" means, in respect of a Parent Common Share on any date, the Canadian Dollar Equivalent of the average of the closing prices of Parent Common Shares on Nasdaq on each of the thirty (30) consecutive trading days ending not more than five trading days before such date, or, if the Parent Common Shares are not then quoted on Nasdaq, on such other stock exchange or automated quotation system on which the Parent Common Shares are listed or quoted, as the case may be, as may be selected by the Board of Directors of the Corporation for such purpose; provided, however, that if there is no public distribution or trading activity of Parent Common Shares during such period, then the Current Market Price of a Parent Common Share shall be determined by the Board of Directors based upon the advice of such qualified independent financial advisors as the Board of Directors may deem to be appropriate, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding.

"Dutchco" means Autodesk Development B.V., a corporation subsisting under the laws of The Netherlands or, where applicable, such other subsidiary of Autodesk or Dutchco to which Dutchco has assigned some or all of its rights under the Combination Agreement.

"Effective Date" means the date of the Amalgamation as set forth in the Certificate of Amalgamation.

"Effective Time" means 4:28 p.m. (Montreal time) on the Effective Date.

"Election Deadline" has the meaning ascribed thereto in section 4.1 of the provisions attaching to the Class B Shares.

"Exchangeable Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares as set forth herein.

"Exchangeable Shares" means the exchangeable non-voting shares in the share capital of the Corporation.

"Maximum Number" means the number that is equal to 19.99% of the number of Company Common Shares outstanding immediately prior to the Amalgamation multiplied by 0.33.

"Nasdaq" means the Nasdaq National Market.

"Parent" means Autodesk, Inc., a body corporate existing under the laws of the State of Delaware.

"Parent Common Shares" means the common shares in the share capital of Parent.

"Quebec Act" means the Companies Act (Quebec), as amended.

"Transfer Agent" means The Trust Company of Bank of Montreal or such other entity as may from time to time be the registrar and transfer agent for the Exchangeable Shares.

PROVISIONS ATTACHING TO CLASS A SHARES

The Class A voting common shares in the share capital of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class A Shares with respect to priority in the payment of dividends, the holders of Class A Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine and all dividends which the directors may declare on the Class A Shares shall be declared and paid in equal amounts per share on all Class A Shares at the time outstanding; and, subject as aforesaid, the board of directors of the Corporation may in their discretion declare dividends on the Class A Shares without declaring dividends on any of the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or the Exchangeable Shares.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the capital of the Corporation, the Class D Shares, the Class C Shares and to any other shares ranking senior to the Class A Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up of the Corporation, the holders of the Class A Shares shall be entitled to receive the remaining property and assets of the Corporation rateably with the holders of the Class B Shares, the Class E Shares and the Class F Shares.

3 Voting Rights

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

4 Amendment and Approval

4.1 The rights, privileges, restrictions and conditions attaching to the Class A Shares may be added to, changed or removed but only with the approval of the holders of the Class A Shares given as hereinafter specified, and any other approval required by law.

4.2 Any approval given by the holders of the Class A Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Shares or any other matter requiring the approval or consent of the holders of the Class A Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class A Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class A Shares duly called and held at which the holders of at least 50% of the outstanding Class A Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class A Shares at that time

are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class A Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class A Shares.

PROVISIONS ATTACHING TO CLASS B SHARES

The Class B non-voting common shares in the share capital of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class B Shares with respect to priority in the payment of dividends, the holders of Class B Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine and all dividends which the directors may declare on the Class B Shares shall be declared and paid in equal amounts per share on all Class B Shares at the time outstanding; and, subject as aforesaid, the board of directors of the Corporation may in their discretion declare dividends on the Class B Shares without declaring dividends on any of the Class A Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or the Exchangeable Shares.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the share capital of the Corporation, the Class D Shares and the Class C Shares and to any other shares ranking senior to the Class B Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class B Shares shall be entitled to receive the remaining property and assets of the Corporation rateably with the holders of the Class A Shares, the Class E Shares and the Class F Shares.

3 Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class B Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any meeting of shareholders of the Corporation, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation.

4 Retraction

4.1 A holder of Class B Shares shall be entitled immediately following the Effective Time (the "Class B Retraction Time"), subject to applicable law and otherwise upon compliance with and subject to the provisions of this Section 4, to require the Corporation to redeem all or any number of the Class B Shares registered in the name of such holder for an amount per share equal to the Current Market Price of 0.33 of one Parent Common Share on the last Business Day prior to the Class B Retraction Time, which shall be satisfied in full by the Corporation causing to be delivered to such holder 0.33 of one Exchangeable Share for each Class B Share presented and surrendered by the holder (the "Class B Retraction Price"). To effect such redemption, the holder shall no later than 4:29 p.m. (Montreal time) on the Effective Date (the "Election Deadline") present and surrender at the head office of the Company acting on behalf of the Corporation or the Corporation or at any

office of the Transfer Agent or such other place as may be specified by the Corporation by notice to the holders of the Company's Common Shares (on behalf of the holders of the Class B Shares) the certificate or certificates representing the Class B Shares which the holder desires to have the Corporation redeem (evidenced by the certificate or certificates representing the Company's Common Shares which, as a result of the Amalgamation, represent such Class B Shares), together with such other documents and instruments as may be required to effect a transfer of Class B Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, and together with a duly executed statement (the "Class B Retraction Request") in such form as may be acceptable to the Corporation specifying that the holder desires to have all or any number specified therein of the Class B Shares represented by such certificate or certificates (the "Retracted Shares") redeemed by the Corporation.

4.2 Upon receipt by the Corporation or the Transfer Agent in the manner specified in Section 4.1 hereof of a certificate or certificates representing the number of Class B Shares which the holder desires to have the Corporation redeem, together with the documents and instruments contemplated by Section 4.1 (including a Class B Retraction Request), and provided that the Class B Retraction Request is not revoked by the holder in the manner specified in Section 4.6 hereof, the Corporation shall redeem the Retracted Shares effective at the Class B Retraction Time and shall cause to be delivered to such holder the total Retraction Price with respect to such shares. If only a part of the Class B Shares represented by any certificate are redeemed, the balance of shares represented by such certificate shall be governed by the provisions of Section 5.1 of these share provisions relating to the Class B Shares.

4.3 The Corporation shall deliver or cause the Transfer Agent to deliver to the relevant holder, at the address of the holder recorded in the securities register of the Corporation for the Class B Shares or at the address specified in the holder's Class B Retraction Request or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Class B Shares, certificates representing the Exchangeable Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) registered in the name of the holder or in such other name as the holder may request in payment of the total Class B Retraction Price and such delivery of such certificates on behalf of the Corporation or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the total Class B Retraction Price to the extent that the same is represented by such share certificates. All Class B Shares which have been so retracted shall be cancelled.

4.4 As of the Class B Retraction Time, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Class B Retraction Price.

4.5 Notwithstanding any other provision of this Section 4, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares (i) would be contrary to solvency requirements or other provisions of applicable law or (ii) would cause the aggregate number of Exchangeable Shares issuable on retraction to exceed the Maximum Number. If the Corporation believes that at the Class B Retraction Time it would not be permitted by the foregoing to redeem the Retracted Shares tendered for redemption on such date, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Class B Retraction Request to the extent of the maximum number of shares that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions or the maximum number of Exchangeable Shares as would not exceed the Maximum Number and shall notify the holder immediately following the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law or would cause the Exchangeable Shares to be issued to exceed the Maximum Number, the Corporation shall redeem Retracted Shares in accordance with Section 4.2 of these share provisions on a pro rata basis.

4.6 A holder of Retracted Shares may, by notice in writing given by the holder to the Corporation at the head office of the Company on behalf of the Corporation or of the Corporation, not less than two Business Days immediately preceding the Class B Retraction Time, withdraw its Class B Retraction Request in which event such Class B Retraction Request shall be null and void.

4.7 No certificates or scrip representing fractional Exchangeable Shares shall be issued upon the surrender for exchange of certificates pursuant to section 4.3 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in an Exchangeable Share will receive from the Corporation an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.8 In the event of a transfer of ownership of Company Common Shares in respect of which a Class B Retraction Request has been duly made prior to the Class B Retraction Time but which is not registered in the transfer records of the Company prior to the Effective Date, a certificate representing the proper number of Exchangeable Shares may be issued to a transferee if the certificate representing such Company Common Shares is presented to the Transfer Agent, together with a Class B Retraction Request executed by the transferee accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Company Common Shares that were converted pursuant to the Amalgamation into Class B Shares and subsequently retracted by the holder pursuant to the Class B Share provisions shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Exchangeable Shares deliverable in respect thereof as determined in accordance with this Section 4. When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Exchangeable Shares are to be issued shall, at the discretion of the Corporation, as a condition precedent to the issuance thereof, give a bond satisfactory to the Corporation in such sum as the Corporation may direct or otherwise indemnify the Corporation in a manner satisfactory to the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 A Class B Retraction Request executed by a holder of Company Common Shares in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes to constitute a good and valid Class B Retraction Request executed by a holder of Class B Shares. Any notice by the Company to a holder of Company Common Shares in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes to constitute good and valid notice by the Corporation to the holders of Class B Shares. Any notice by a holder of Company Common Shares to the Company in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes of these share provisions to constitute good and valid notice by a holder of Class B Shares to the Corporation.

5 Automatic Conversion of Class B Shares

5.1 Immediately following the Class B Retraction Time (the "Class B Conversion Time") each Class B Share then outstanding shall, automatically and without any further action required on the part of either the Corporation or the holder of the Class B Share, be converted into a unit consisting of one fully paid and non- assessable Class E Share and one fully paid and non-assessable Class F Share whereupon each such Class B

Share will be cancelled, and the name of each holder thereof shall be removed from the register of holders of Class B Shares and added to the registers of holders of Class E Shares and Class F Shares accordingly.

5.2 No certificates shall be issued by the Corporation representing the Class E Shares and the Class F Shares. The certificates representing the Class B Shares shall continue to represent an equal number of Class E and Class F Shares. On and after the Class B Conversion Time, the holders of the Class B Shares so converted shall cease to be holders of such Class B Shares and shall not be entitled to exercise any of the rights of holders in respect thereof.

6 Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class B Shares may be added to, changed or removed but only with the approval of the holders of the Class B Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class B Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Shares or any other matter requiring the approval or consent of the holders of the Class B Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class B Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class B Shares duly called and held at which the holders of at least 50% of the outstanding Class B Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class B Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class B Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class B Shares.

PROVISIONS ATTACHING TO CLASS C SHARES

The Class C non-voting preferred shares in the share capital of the Corporation (the "Class C Shares") shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

1.1 The holders of Class C Shares shall be entitled to receive and the Corporation shall pay to them, always in preference and priority to any payment of dividends on the Class A Shares, the Class B Shares, the Class E Shares and the Class F Shares of the Corporation and any other shares of the Corporation ranking junior to the Class C Shares, but subject to the prior rights of the holders of the Exchangeable Shares and Class D Shares, as and when declared by the board of directors of the Corporation out of monies of the Corporation properly applicable to the payment of dividends, annual fixed, preferential, non-cumulative cash dividends in an amount per share equal to $60,000 divided by the number of Class C Shares outstanding payable annually.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares and the Class D Shares and to any other shares ranking senior to the Class C Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class C Shares shall be entitled to receive an amount per share equal to the fair market value of all the issued and outstanding shares of 9066-9854 Quebec

Inc. divided by the number of Class C Shares outstanding immediately prior to the Amalgamation and no more, in priority to the rights of the holders of the Class E Shares, the Class F Shares, the Class A Shares and the Class B Shares.

3 Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class C Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any meeting of shareholders of the Corporation, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation.

4 Amendment and Approval

4.1 The rights, privileges, restrictions and conditions attaching to the Class C Shares may be added to, changed or removed but only with the approval of the holders of the Class C Shares given as hereinafter specified, and any other approval required by law.

4.2 Any approval given by the holders of the Class C Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class C Shares or any other matter requiring the approval or consent of the holders of the Class C Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class C Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class C Shares duly called and held at which the holders of at least 50% of the outstanding Class C Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class C Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class C Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class C Shares.

PROVISIONS ATTACHING TO CLASS D SHARES

The Class D non-voting preferred shares in the share capital of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

1.1 The holders of Class D Shares shall be entitled to receive and the Corporation shall pay to them, always in preference and priority to any payment of dividends on the Class A Shares, the Class B Shares, the Class C Shares, the Class E Shares and the Class F Shares of the Corporation and any other shares of the Corporation ranking junior to the Class D Shares, as and when declared by the board of directors of the Corporation out of monies of the Corporation properly applicable to the payment of dividends, fixed, preferential, cumulative cash dividends at the annual rate per share of 5% of the Class D Liquidation Amount (as defined below) payable annually, by cheque of the Corporation. Such dividend on any particular Class D Share shall accrue and be cumulative from the date of issue of such Class D Share.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares and to any other

shares ranking senior to the Class D Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class D Shares shall be entitled to receive in the aggregate an amount per share equal to $150,000 divided by the number of issued and outstanding Class D Shares (the "Class D Liquidation Amount") and no more, in priority to the rights of the holders of the Class C Shares, the Class A Shares, the Class B Shares, the Class E Shares and the Class F Shares.

3 Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class D Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any meeting of shareholders of the Corporation, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation.

4 Redemption of Class D Shares by the Corporation

4.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Corporation shall be entitled at any time from and after October 31, 2028 to redeem any or all of the Class D Shares registered in the name of a holder for an amount per share equal to (a) $150,000 divided by the number of issued and outstanding Class D Shares plus (b) an additional amount equivalent to the full amount on all dividends accrued and unpaid thereon (herein collectively called the "Class D Redemption Price").

4.2 To effect such redemption the Corporation shall, at least ten days prior to the date fixed for redemption (the "Class D Redemption Date") send to each holder of Class D Shares to be redeemed a notice in writing of the redemption by the Corporation of Class D Shares held by such holder. Such notice shall set out the Class D Redemption Price and the Class D Redemption Date. On or after the Class D Redemption Date, the Corporation shall cause to be delivered to the holders of the Class D Shares to be redeemed the Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for each such Class D Share upon presentation and surrender at the head office of the Corporation of the certificates representing such Class D Shares, together with such other documents and instruments as may be required to effect a transfer of Class D Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Corporation may reasonably require. Payment of the total Class D Redemption Price for such Class D Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Corporation or by holding for pick up by the holder at the head office of the Corporation of a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation). On and after the Class D Redemption Date, the holders of the Class D Shares called for redemption shall cease to be holders of such Class D Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class D Redemption Price, unless payment of the total Class D Redemption Price for such Class D Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class D Redemption Price has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the sending of notice of its intention to redeem Class D Shares as aforesaid to deposit or cause to be deposited the total Class D Redemption Price of the Class D Shares so called for redemption, or of such of the said Class D Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada named in such notice. Upon the later of such deposit being made and the Class D Redemption Date, the Class D Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class D Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the total Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for such Class D Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions.

5 Purchase for Cancellation

5.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Corporation may at any time and from time to time purchase for cancellation all or any part of the outstanding Class D Shares at any price by tender to all the holders of record of Class D Shares then outstanding or through the facilities of any stock exchange on which Class D Shares are listed or quoted at any price per share. If in response to an invitation for tenders under the provisions hereof, more Class D Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is prepared to purchase, Class D Shares to be purchased by the Corporation shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Corporation, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Corporation is prepared to purchase after the Corporation has purchased all the shares tendered at lower prices. If part only of the Class D Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation. Subject as aforesaid, the Corporation may effect such purchase for cancellation without purchasing for cancellation shares of any other class of shares of the Corporation.

6 Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class D Shares may be added to, changed or removed but only with the approval of the holders of the Class D Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class D Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class D Shares or any other matter requiring the approval or consent of the holders of the Class D Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class D Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class D Shares duly called and held at which the holders of at least 50% of the outstanding Class D Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class D Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class D Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class D Shares.

PROVISIONS ATTACHING TO CLASS E SHARES

The Class E voting common shares in the share capital of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

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

Class E Shares without declaring dividends on any of the Class A Shares, Class B Shares, Class C Shares, Class D Shares or Class F Shares.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the share capital of the Corporation, the Class D Shares, the Class C Shares and to any other shares ranking senior to the Class E Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class E Shares shall be entitled to receive the remaining property and assets of the Corporation rateably with the holders of the Class A Shares, the Class B Shares and the Class F Shares.

3 Voting Rights

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

4 Redemption of Class E Shares by the Corporation

4.1 Subject to applicable law, and subject to the exercise by Dutchco of the Class E Redemption Call Right, the Corporation shall be entitled, immediately following the Class B Conversion Time (the "Class E Redemption Time") without notice to the holders of the Class E Shares, but with prior notice to Dutchco, to redeem the whole of the then outstanding Class E Shares for an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Class E Redemption Time, which shall be satisfied in full by the Corporation causing to be delivered to each holder of Class E Shares 0.165 of one Parent Common Share for each Class E Share held by such holder (the "Class E Redemption Price").

4.2 At or after the Class E Redemption Time and subject to the exercise by Dutchco of the Class E Redemption Call Right, the Corporation shall cause to be delivered to the holders of the Class E Shares to be redeemed the Class E Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for each such Class E Share upon presentation and surrender (at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation) of the certificates representing such Class E Shares, or such other certificates of securities of any predecessor of the Corporation acceptable to the Corporation (including those representing Company Common Shares) together with such other documents and instruments as may be required to effect a transfer of Class E Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Class E Redemption Price for such Class E Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Corporation or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation, on behalf of the Corporation of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) (less any tax required to be deducted and withheld therefrom by the Corporation). At and after the Class E Redemption Time, the holders of the Class E Shares called for redemption shall cease to be holders of such Class E Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class E Redemption Price, unless payment of the total Class E Redemption Price for such Class E Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class E Redemption Price has been paid in the manner hereinbefore provided. Subject to the exercise of the Class E Redemption Call Right, the Corporation shall have the right at any time to deposit or cause to be deposited the total Class E Redemption Price of the Class E Shares so called for redemption, or of such of the

said Class E Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada or the United States. Upon the later of such deposit being made and the Class E Redemption Time, the Class E Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class E Redemption Time, as the case may be, shall be limited to receiving their proportionate part of the total Class E Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for such Class E Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Class E Redemption Price, the holders of the Class E Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them.

4.3 Dutchco shall have the overriding right (the "Class E Redemption Call Right"), notwithstanding the proposed redemption of Class E Shares by the Corporation, to purchase from all but not less than all of the holders of Class E Shares to be redeemed at the Class E Redemption Time, all but not less than all of the Class E Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Class E Redemption Time which shall be satisfied in full by causing to be delivered to such holder 0.165 of one Parent Common Share (the "Class E Redemption Call Purchase Price"). In the event of the exercise of the Class E Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Class E Shares held by the holder and otherwise to be redeemed to Dutchco at the Class E Redemption Time on payment by Dutchco to the holder of the Class E Redemption Call Purchase Price for each such share.

4.4 To exercise the Class E Redemption Call Right, Dutchco must notify the Corporation of Dutchco's intention to exercise such right prior to the Class E Redemption Time (which notice may be given to the Company on behalf of the Corporation). If Dutchco exercises the Class E Redemption Call Right, Dutchco will, at the Class E Redemption Time, purchase and the holders will sell all of the Class E Shares to be redeemed for a price per share equal to the Class E Redemption Call Purchase Price. Any notice by Dutchco to the Company for and on behalf of the Corporation shall be deemed to constitute good and valid notice by Dutchco to the Corporation.

4.5 For the purposes of completing the purchase of Class E Shares pursuant to the Class E Redemption Call Right, Dutchco shall deposit with the Transfer Agent, at or before the Class E Redemption Time, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Class E Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Class E Redemption Call Purchase Price. Provided that the total Class E Redemption Call Purchase Price has been so deposited with the Transfer Agent, at and after the Class E Redemption Time the rights of each holder of Class E Shares so purchased will be limited to receiving such holder's proportionate part of the total Class E Redemption Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Class E Shares purchased by Dutchco from such holder and the holder shall at and after the Class E Redemption Time be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Class E Shares, together with such other documents and instruments as may be required to effect a transfer of Class E Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of or on behalf of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Corporation in Canada in payment of the remaining portion, if any, of the total Class E Redemption Call Purchase Price. If Dutchco does not exercise the Class E Redemption Call Right in the manner described herein, at the Class E Redemption Time the holders of the Class E Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Corporation in connection with the redemption of Class E Shares.

4.6 No certificates or scrip representing fractional Parent Common Shares shall be issued upon the surrender for exchange of certificates pursuant to sections 4.2 or 4.5 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in a Parent Common Share will receive from the Corporation or Dutchco, as the case may be, an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.7 No dividends or other distributions declared or made after the Class E Redemption Time with respect to Parent Common Shares with a record date after the Class E Redemption Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Class E Redemption Time represented Class E Shares that were redeemed or purchased pursuant to these Class E Share provisions, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to section 4.6 hereof, unless and until the holder of record of such certificate shall surrender such certificate in accordance with sections 4.2 or 4.5 hereof, as the case may be. Subject to applicable law, at the time of such surrender of any such certificate there shall be paid to the record holder of the certificates representing whole Parent Common Shares without interest (i) the amount of any cash payable in lieu of a fractional Parent Common Share to which such holder is entitled pursuant to section 4.6 hereof, (ii) the amount of dividends or other distributions with a record date after the Class E Redemption Time theretofore paid with respect to such whole Parent Common Share and (iii) the amount of dividends or other distributions with a record date after the Class E Redemption Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole Parent Common Share.

4.8 In the event of a transfer of ownership of Company Common Shares which is not registered in the transfer records of the Company prior to the Effective Date, a certificate representing the proper number of Parent Common Shares may be issued to a transferee if the certificate representing such Company Common Shares is presented to the Transfer Agent, accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Company Common Shares that were converted to Class B Shares on the Amalgamation and subsequently converted into Class E Shares at the Class B Conversion Time shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Parent Common Shares (and any dividends or distributions with respect thereto and any cash pursuant to section 4.6 hereof) deliverable in respect thereof as determined in accordance with sections 4.2 or 4.5 hereof. When authorizing such issuance and/or payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Parent Common Shares are to be issued shall, at the discretion of the Corporation or Dutchco, as the case may be, as a condition precedent to the issuance thereof, give a bond satisfactory to the Corporation, the Affiliate or Dutchco, as the case may be, in such sum as the Corporation or Dutchco may direct or otherwise indemnify the Corporation or Dutchco in a manner satisfactory to the Corporation, the Affiliate or the Dutchco, as the case may be, against any claim that may be made against the Corporation, the Affiliate or Dutchco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 The Corporation and Dutchco shall be entitled to deduct and withhold from the Class E Redemption Price, the Class E Redemption Call Price payable pursuant to these Class E Share Provisions to any holder of Class E Shares such amounts as Parent, the Affiliate, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made,

provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent any amount is required to be deducted or withheld from any payment to a holder, the Corporation or Dutchco as the case may be, are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to the Corporation or Dutchco, as the case may be, in order to enable it to comply with such deduction or withholding requirement and the Corporation or Dutchco, as the case may be, shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

4.11 The Corporation shall not be entitled to redeem, nor shall Dutchco be entitled to purchase, any Class E Shares pursuant to this Section 4 unless at the same time the Corporation redeems or Dutchco, purchases at the same time and in the same manner all issued and outstanding Class F Shares.

5 Purchase for Cancellation

5.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Corporation may at any time and from time to time purchase for cancellation all or any part of the outstanding Class E Shares at any price by tender to all the holders of record of Class E Shares then outstanding or through the facilities of any stock exchange on which Class E Shares are listed or quoted at any price per share. If in response to an invitation for tenders under the provisions hereof, more Class E Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is prepared to purchase, Class E Shares to be purchased by the Corporation shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Corporation, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Corporation is prepared to purchase after the Corporation has purchased all the shares tendered at lower prices. If only part of the Class E Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation. Subject as aforesaid, the Corporation may effect such purchase for cancellation without purchasing for cancellation shares of any other class of shares of the Corporation.

6 Issued and Paid-Up Capital Account

6.1 Where Class E Shares and Class F Shares are issued on a conversion of Class B Shares, the amount to be added to the issued and paid-up capital account of the Class E Shares for purposes of the Quebec Act and the paid-up capital account of the Class E Shares for purposes of the Income Tax Act (Canada) shall be equal to the aggregate of the issued and paid-up capital of such Class B Shares so converted, less $1.

7 Amendment and Approval

7.1 The rights, privileges, restrictions and conditions attaching to the Class E Shares may be added to, changed or removed but only with the approval of the holders of the Class E Shares given as hereinafter specified, and any other approval required by law.

7.2 Any approval given by the holders of the Class E Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class E Shares or any other matter requiring the approval or consent of the holders of the Class E Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class E Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class E Shares duly called and held at which the holders of at least 50% of the outstanding Class E Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class E Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class E Shares present

or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class E Shares.

PROVISIONS ATTACHING TO CLASS F SHARES

The Class F non-voting common shares in the share capital of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1 Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class F Shares with respect to priority in the payment of dividends, the holders of Class F Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of monies properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine and all dividends which the directors may declare on the Class F Shares shall be declared and paid in equal amounts per share on all Class F Shares at the time outstanding; and, subject as aforesaid, the board of directors of the Corporation may in their discretion declare dividends on the Class F Shares without declaring dividends on any of the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares or the Exchangeable Shares.

2 Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of the Exchangeable Shares, the Class D Shares and the Class C Shares and to any other shares ranking senior to the Class F Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class F Shares shall be entitled to receive the remaining property and assets of the Corporation rateably with the holders of the Class A Shares, the Class B Shares and the Class E Shares.

3 Voting Rights

3.1 The holders of Class F Shares shall be entitled to vote separately as a class on any change of the head office of the Corporation. Each Class F Share shall carry one vote at any meeting called for such purpose. Except as aforesaid and except where specifically provided by the Quebec Act the holders of the Class F Shares shall not otherwise be entitled to receive notice of or to attend meetings of the shareholders of the Corporation and shall not be entitled to vote at any meeting of shareholders of the Corporation, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation.

4 Redemption of Class F Shares by the Corporation

4.1 Subject to applicable law, and subject to the exercise by Dutchco of the Class F Redemption Call Right, the Corporation shall be entitled, immediately following the Class B Conversion Time (the "Class F Redemption Time") without notice to the holders of Class F Shares, but with prior notice to Dutchco, to redeem the whole of the then outstanding Class F Shares for an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Redemption Time, which shall be satisfied in full by the Corporation causing to be delivered to each holder of Class F Shares 0.165 of one Parent Common Share for each Class F Share held by such holder (the "Class F Redemption Price").

4.2 At or after the Class F Redemption Time and subject to the exercise by Dutchco of the Class F Redemption Call Right, the Corporation shall cause to be delivered to the holders of the Class F Shares to be redeemed the Class F Redemption Price (less any tax required to be deducted and withheld therefrom by the

Corporation) for each such Class F Share upon presentation and surrender (at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice) of the certificates representing such Class F Shares, or such other certificates of securities or any predecessor of the Corporation acceptable to the Corporation (including those representing Company Common Shares) together with such other documents and instruments as may be required to effect a transfer of Class F Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Class F Redemption Price for such Class F Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Corporation or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation, on behalf of the Corporation of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) (less any tax required to be deducted and withheld therefrom by the Corporation). At and after the Class F Redemption Time, the holders of the Class F Shares called for redemption shall cease to be holders of such Class F Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class F Redemption Price, unless payment of the total Class F Redemption Price for such Class F Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class F Redemption Price has been paid in the manner hereinbefore provided. Subject to the exercise of the Class F Redemption Call Right by Dutchco, the Corporation shall have the right at any time to deposit or cause to be deposited the total Class F Redemption Price of the Class F Shares so called for redemption, or of such of the said Class F Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada or the United States. Upon the later of such deposit being made and the Class F Redemption Time, the Class F Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class F Redemption Time, as the case may be, shall be limited to receiving their proportionate part of the total Class F Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for such Class F Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Class F Redemption Price, the holders of the Class F Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them.

4.3 Dutchco shall have the overriding right (the "Class F Redemption Call Right"), notwithstanding the proposed redemption of Class F Shares by the Corporation, to purchase from all but not less than all of the holders of Class F Shares to be redeemed at the Class F Redemption Time, all but not less than all of the Class F Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Class F Redemption Time which shall be satisfied in full by causing to be delivered to such holder 0.165 of one Parent Common Share (the "Class F Redemption Call Purchase Price"). In the event of the exercise of the Class F Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Class F Shares held by the holder and otherwise to be redeemed to Dutchco at the Class F Redemption Time on payment by Dutchco to the holder of the Class F Redemption Call Purchase Price for each such share.

4.4 To exercise the Class F Redemption Call Right, Dutchco must notify the Corporation of Dutchco's intention to exercise such right prior to the Class F Redemption Time (which notice may be given to the Company on behalf of the Corporation). If Dutchco exercises the Class F Redemption Call Right, Dutchco will, at the Class F Redemption Time, purchase and the holders will sell all of the Class F Shares to be redeemed for a price per share equal to the Class F Redemption Call Purchase Price. Any notice by Dutchco to the Company for and on behalf of the Corporation shall be deemed to constitute good and valid notice by Dutchco to the Corporation.

4.5 For the purposes of completing the purchase of Class F Shares pursuant to the Class F Redemption Call Right, Dutchco shall deposit with the Transfer Agent, at or before the Class F Redemption Time, certificates

representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Class F Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Class F Redemption Call Purchase Price. Provided that the total Class F Redemption Call Purchase Price has been so deposited with the Transfer Agent, at and after the Class F Redemption Time the rights of each holder of Class F Shares so purchased will be limited to receiving such holder's proportionate part of the total Class F Redemption Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Class F Shares purchased by Dutchco from such holder and the holder shall at and after the Class F Redemption Time be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Class F Shares, together with such other documents and instruments as may be required to effect a transfer of Class F Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of or on behalf of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Corporation in Canada in payment of the remaining portion, if any, of the total Class F Redemption Call Purchase Price. If Dutchco does not exercise the Class F Redemption Call Right in the manner described herein, at the Class F Redemption Time the holders of the Class F Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Corporation in connection with the redemption of Class F Shares.

4.6 No certificates or scrip representing fractional Parent Common Shares shall be issued upon the surrender for exchange of certificates pursuant to sections 4.2 or 4.5 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in a Parent Common Share will receive from the Corporation or Dutchco as the case may be, an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.7 No dividends or other distributions declared or made after the Class F Redemption Time with respect to Parent Common Shares with a record date after the Class F Redemption Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Class F Redemption Date represented Class F Shares that were redeemed or purchased pursuant to these Class F Share provisions, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to section 4.6 hereof, unless and until the holder of record of such certificate shall surrender such certificate in accordance with sections 4.2 or 4.5 hereof, as the case may be. Subject to applicable law, at the time of such surrender of any such certificate there shall be paid to the record holder of the certificates representing whole Parent Common Shares without interest (i) the amount of any cash payable in lieu of a fractional Parent Common Share to which such holder is entitled pursuant to section 4.6 hereof, (ii) the amount of dividends or other distributions with a record date after the Class F Redemption Time theretofore paid with respect to such whole Parent Common Share and (iii) the amount of dividends or other distributions with a record date after the Class F Redemption Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole Parent Common Share.

4.8 In the event of a transfer of ownership of Company Common Shares which is not registered in the transfer records of the Company prior to the Effective Date, a certificate representing the proper number of Parent Common Shares may be issued to a transferee if the certificate representing such Company Common Shares is presented to the Transfer Agent, accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Company Common Shares that were converted to Class B Shares on the Amalgamation and subsequently converted into Class F Shares at the Class B Conversion Time shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Parent Common Shares (and any dividends or distributions with respect thereto and any cash pursuant to section 4.6 hereof) deliverable in respect thereof as determined in accordance with sections 4.2 or 4.5 hereof. When authorizing such issuance and/or payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Parent Common Shares are to be issued shall, at the discretion of the Corporation or Dutchco, as the case may be, as a condition precedent to the issuance thereof, give a bond satisfactory to the Corporation or Dutchco, as the case may be, in such sum as the Corporation or Dutchco may direct or otherwise indemnify the Corporation or Dutchco in a manner satisfactory to the Corporation or the Dutchco, as the case may be, against any claim that may be made against the Corporation or Dutchco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 The Corporation and Dutchco shall be entitled to deduct and withhold from the Class F Redemption Price or the Class F Redemption Call Price, as the case may be, payable pursuant to these Class F Share Provisions to any holder of Class F Shares such amounts as Parent, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent any amount is required to be deducted or withheld from any payment to a holder, the Corporation, the Affiliate or Dutchco, as the case may be, are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to the Corporation, the Affiliate or Dutchco, as the case may be, in order to enable it to comply with such deduction or withholding requirement and the Corporation, the Affiliate or Dutchco, as the case may be shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

4.11 The Corporation shall not be entitled to redeem, nor shall Dutchco or the Affiliate, as the case may be, be entitled to purchase, any Class F Shares pursuant to this Section 4 unless at the same time the Corporation redeems or Dutchco or the Affiliate, as the case may be, purchases at the same time and in the same manner all issued and outstanding Class E Shares.

5 Issued and Paid-Up Capital Account

5.1 Where Class E Shares and Class F Shares are issued on a conversion of Class B Shares, the amount to be added to the issued and paid-up capital account of the Class F Shares for purposes of the Quebec Act and the paid-up capital account of the Class F Shares for purposes of the Income Tax Act (Canada) shall be $1.

6 Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class F Shares may be added to, changed or removed but only with the approval of the holders of the Class F Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class F Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class F Shares or any other matter requiring the approval or consent of the holders of the Class F Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class F Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class F Shares duly called and held at which the

holders of at least 50% of the outstanding Class F Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class F Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class F Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class F Shares.

PROVISIONS ATTACHING TO EXCHANGEABLE SHARES

The exchangeable non-voting shares in the share capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1

Interpretation

1.1 For the purposes of these Exchangeable Share Provisions:

"Affiliate" of any person means any other person directly or indirectly controlled by, or under common control of, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control of"), as applied to any person, means the possession by another person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned person, whether through the ownership of voting securities, by contract or otherwise; provided, however, that any former directors, executive officers or principal shareholders of the Company who may be deemed to be an affiliate of Parent after the Effective Date, shall not be considered an "Affiliate" for purposes of these share provisions.

"Amalgamation" means the amalgamation of Discreet Logic Inc., 9066-9854 Quebec Inc., and 9066-9771 Quebec Inc. under the Quebec Act.

"Automatic Redemption" has the meaning ascribed thereto in section 7.1 of these share provisions.

"Automatic Redemption Date" means the date for the automatic redemption by the Corporation of Exchangeable Shares pursuant to Article 7 of these share provisions, which date shall be eleven years from the Effective Date (as defined in the Amalgamation Agreement) unless (a) such date shall be extended at any time or from time to time to a specified later date by the Board of Directors provided at least 60 days' prior written notice of any such extension is given to the registered holders of the Exchangeable Shares or (b) such date shall be accelerated at any time to a specified earlier date by the Board of Directors if at such time there are less than 250,000 Exchangeable Shares outstanding (other than Exchangeable Shares held by Parent and its Affiliates and as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), provided at least 60 days' prior written notice of any such extension or acceleration, as the case may be, is given to the registered holders of the Exchangeable Shares, in which case the Automatic Redemption Date shall be such later or earlier date; provided, however, that the accidental failure or omission to give any such notice of extension or acceleration, as the case may be, to less than 5% of such holders of Exchangeable Shares shall not affect the validity of such extension or acceleration.

"Board of Directors" means the Board of Directors of the Corporation.

"Business Day" means any day other than a Saturday, a Sunday or a day when banks are not open for business in either or both of San Francisco, California and Montreal, Quebec.

"Canadian Dollar Equivalent" means in respect of an amount expressed in a foreign currency (the "Foreign Currency Amount") at any date the product obtained by multiplying (a) the Foreign Currency Amount by (b) the noon spot exchange rate on such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such exchange rate on such date for such foreign currency expressed in Canadian dollars as may be deemed by the Board of Directors to be appropriate for such purpose.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued to the Corporation by the Inspector General of Financial Institutions under the Quebec Act in respect of the Amalgamation.

"Class A Shares" mean the Class A voting common shares in the share capital of the Corporation.

"Class B Shares" means the Class B non-voting common shares in the share capital of the Corporation.

"Class C Shares" means the Class C non-voting preferred shares in the share capital of the Corporation.

"Class D Shares" means the Class D non-voting preferred shares in the share capital of the Corporation.

"Class E Shares" means the Class E voting common shares in the share capital of the Corporation.

"Class F Shares" means the Class F non-voting common shares in the share capital of the Corporation.

"Corporation" means the company resulting from the Amalgamation.

"Current Market Price" means, in respect of a Parent Common Share on any date, the Canadian Dollar Equivalent of the average of the closing prices of Parent Common Shares on Nasdaq on each of the thirty (30) consecutive trading days ending not more than five trading days before such date, or, if the Parent Common Shares are not then quoted on Nasdaq, on such other stock exchange or automated quotation system on which the Parent Common Shares are listed or quoted, as the case may be, as may be selected by the Board of Directors for such purpose; provided, however, that if there is no public distribution or trading activity of Parent Common Shares during such period, then the Current Market Price of a Parent Common Share shall be determined by the Board of Directors based upon the advice of such qualified independent financial advisors as the Board of Directors may deem to be appropriate, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding.

"Dutchco" means Autodesk Development B.V., a corporation subsisting under the laws of The Netherlands or such other Affiliate of Autodesk to which Dutchco has assigned its rights under the Voting and Exchange Trust Agreement.

"Effective Date" means the date of the Amalgamation as set forth in the Certificate of Amalgamation.

"Exchange Act" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Exchangeable Shares" mean the exchangeable non-voting shares of the Corporation having the rights, privileges, restrictions and conditions set forth herein.

"Liquidation Amount" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"Liquidation Call Purchase Price" has the meaning ascribed thereto in Section 5.4 of these share provisions.

"Liquidation Call Right" has the meaning ascribed thereto in Section 5.4 of these share provisions.

"Liquidation Date" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"Nasdaq" means the Nasdaq National Market.

"Parent" means Autodesk, Inc., a body corporate existing under the laws of the State of Delaware.

"Parent (Dutchco) Call Notice" has the meaning ascribed thereto in Section 6.3 of these share provisions.

"Parent Common Shares" mean the common shares in the share capital of Parent.

"Parent Dividend Declaration Date" means the date on which the Board of Directors of Parent declares any dividend on the Parent Common Shares.

"Parent Special Share" means the one share of Series B Preferred Stock of Parent with a par value of U.S.$0.01 and having voting rights at meetings of holders of Parent Common Shares equal to that number of votes equal to the number of votes that the Exchangeable Shares outstanding from time to time (other than Exchangeable Shares held by Parent and its Affiliates) would be entitled to if exchanged for Parent Common Shares, to be issued to and voted by the Trustee pursuant to the Voting and Exchange Trust Agreement.

"Purchase Price" has the meaning ascribed thereto in Section 6.3 of these share provisions.

"Quebec Act" means the Companies Act (Quebec), as amended.

"Record Holders" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Redemption Call Right" has the meaning ascribed thereto in Section 7.3 of these share provisions.

"Redemption Call Purchase Price" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Redemption Price" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Retracted Shares" has the meaning ascribed thereto in Section 6.1(a) of these share provisions.

"Retraction Call Right" has the meaning ascribed thereto in Section 6.1(c) of these share provisions.

"Retraction Date" has the meaning ascribed thereto in Section 6.1(b) of these share provisions.

"Retraction Price" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"Retraction Request" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"Section 12(g) Redemption" has the meaning ascribed thereto in Section 7.1.

"Support Agreement" means the Support Agreement between Parent, Dutchco and the Corporation, made on or about the Effective Date.

"Transfer Agent" means Harris Trust and Savings Bank or such other person as may from time to time be the registrar and transfer agent for the Exchangeable Shares.

"Trustee" means Montreal Trust Company of Canada, a trust company existing under the laws of Canada and any successor trustee appointed under the Voting and Exchange Trust Agreement.

"Voting and Exchange Trust Agreement" means the Voting and Exchange Trust Agreement between Parent, Dutchco, the Corporation and the Trustee, made on or about the Effective Date.

ARTICLE 2

Ranking of Exchangeable Shares

2.1 The Exchangeable Shares shall be entitled to a preference over the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares and the Class F Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends 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 its shareholders for the purpose of winding up its affairs.

ARTICLE 3

Dividends

3.1 A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Parent Dividend Declaration Date, declare a dividend on each Exchangeable Share (a) in the case of a cash dividend declared on the Parent Common Shares, in an amount in cash for each Exchangeable Share equal to the Canadian Dollar Equivalent on the Parent Dividend Declaration Date of the cash dividend declared on each Parent Common Share or (b) in the case of a stock dividend declared on the Parent Common Shares to be paid in Parent Common Shares, in such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Parent Common Shares to be paid on each Parent Common Share or (c) in the case of a dividend declared on the Parent Common Shares in property other than cash or Parent Common Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the Board of Directors as contemplated by Section 2.7 of the Support Agreement) the type and amount of property declared as a dividend on each Parent Common Share. Such dividends shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation. Any dividend which should have been declared on the Exchangeable Shares pursuant to this Section 3.1 but was not so declared due to the provisions of applicable law shall be declared and paid by the Corporation as soon as payment of such dividend is permitted by such law on a subsequent date or dates determined by the Board of Directors.

3.2 Cheques of the Corporation or any dividend paying agent appointed by the Corporation payable at par at any branch of the bankers of the Corporation shall be issued in respect of any cash dividends contemplated by Section 3.1(a) hereof and the sending of such a cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Certificates registered in the name of the registered holder of Exchangeable Shares shall be issued or transferred in respect of any stock dividends contemplated by Section 3.1(b) hereof and the sending of such a certificate to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by Section 3.1(c) hereof shall be issued, distributed or transferred by the Corporation in such manner as it shall determine and the issuance, distribution or transfer thereof by the Corporation to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Corporation any dividend that is represented by a cheque that has not been duly presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.

3.3 The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Exchangeable Shares under Section 3.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Parent Common Shares.

3.4 If on any payment date for any dividends declared on the Exchangeable Shares under Section 3.1 hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends

that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.

ARTICLE 4

Certain Restrictions

4.1 So long as any of the Exchangeable Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in Section 10.2 of these share provisions:

(a) pay any dividends on the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem, retract or purchase or make any capital distribution in respect of Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares and Class F Shares or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of the Corporation ranking equally with or junior to the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution; or

(d) issue any Exchangeable Shares or any other shares of the Corporation ranking equally with respect to the payment of dividends or on any liquidation distribution, or superior to, the Exchangeable Shares other than by way of stock dividends to the holders of such Exchangeable Shares or as contemplated by the Support Agreement.

The restrictions in Sections 4.1(a), 4.1(b) and 4.1(c) above shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared following the initial date of issue of Exchangeable Shares on the Parent Common Shares shall have been declared on the Exchangeable Shares and paid in full.

ARTICLE 5

Distribution on Liquidation

5.1 In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the assets of the Corporation in respect of each Exchangeable Share held by such holder on the effective date (the "Liquidation Date") of such liquidation, dissolution or winding-up, before any distribution of any part of the assets of the Corporation among the holders of the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by the Corporation causing to be delivered to such holder one Parent Common Share, plus (b) an additional amount equivalent to the full amount of all declared and unpaid dividends on each such Exchangeable Share and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Liquidation Amount", provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Amount shall not include such additional amount equivalent to such dividends).

5.2 On or promptly after the Liquidation Date, and subject to the exercise by Dutchco of the Liquidation Call Right, the Corporation shall cause to be delivered to the holders of the Exchangeable Shares the Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Corporation) for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may be specified by the Corporation by notice to the holders of the Exchangeable Shares. Payment of the total Liquidation Amount for such Exchangeable Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Corporation for the Exchangeable Shares or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares, on behalf of the Corporation of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions, comprising part of the total Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Corporation). On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the Liquidation Date to deposit or cause to be deposited the total Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof in a custodial account with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of Exchangeable Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (less any tax required to be deducted and withheld therefrom) for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Liquidation Amount, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be the holders of the Parent Common Shares delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Corporation is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Corporation in order to enable it to comply with such deduction or withholding requirement and the Corporation shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

5.3 After the Corporation has satisfied its obligations to pay the holders of the Exchangeable Shares, the Liquidation Amount per Exchangeable Share pursuant to Section 5.1 of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5.4 Dutchco shall have the overriding right (the "Liquidation Call Right"), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of the Corporation pursuant to Article 5 of these share provisions, to purchase from all but not less than all of the holders of Exchangeable Shares on the Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder on payment by Dutchco of an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by causing to be delivered to such holder one Parent Common Share, plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid on such Exchangeable Share and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions

(collectively the "Liquidation Call Purchase Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Call Purchase Price shall not include such additional amount equivalent to such dividends). In the event of the exercise of the Liquidation Call Right by Dutchco, each holder shall be obligated to sell all the Exchangeable Shares held by the holder to Dutchco on the Liquidation Date on payment by Dutchco to the holder of the Liquidation Call Purchase Price for each such share.

5.5 To exercise the Liquidation Call Right, Dutchco must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and the Corporation of Dutchco's intention to exercise such right at least sixty days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of the Corporation and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of the Corporation. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Dutchco has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Dutchco. If Dutchco exercises the Liquidation Call Right, on the Liquidation Date, Dutchco will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

5.6 For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Liquidation Date, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Liquidation Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Liquidation Call Purchase Price. Provided that the total Liquidation Call Purchase Price has been so deposited with the Transfer Agent, on and after the Liquidation Date the rights of each holder of Exchangeable Shares will be limited to receiving such holder's proportionate part of the total Liquidation Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Liquidation Date be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to it. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Corporation in Canada in payment of the remaining portion, if any, of the total Liquidation Call Purchase Price. If Dutchco does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the liquidation price otherwise payable by the Corporation in connection with the liquidation, dissolution or winding-up of the Corporation pursuant to this Article 5.

ARTICLE 6

Retraction of Exchangeable Shares by Holder

6.1 A holder of Exchangeable Shares shall be entitled at any time, subject to applicable law and the exercise by Dutchco of the Retraction Call Right (as defined in subsection (c) below) and otherwise upon compliance with the provisions of this Article 6, to require the Corporation to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Retraction Date, which shall be satisfied in full by the Corporation causing to be delivered to such holder one Parent Common Share for each Exchangeable Share presented and surrendered by the holder, plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid thereon and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share

provisions (collectively the "Retraction Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Retraction Date the Retraction Price shall not include such additional amount equivalent to such dividends). To effect such redemption, the holder shall present and surrender at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares the certificate or certificates representing the Exchangeable Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, and together with a duly executed statement (the "Retraction Request") in such form as may be acceptable to the Corporation:

(a) specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "Retracted Shares") redeemed by the Corporation;

(b) stating the Business Day on which the holder desires to have the Corporation redeem the Retracted Shares (the "Retraction Date"), provided that the Retraction Date shall be not less than three Business Days nor more than ten Business Days after the date on which the Retraction Request is received by the Corporation and further provided that, in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the tenth Business Day after the date on which the Retraction Request is received by the Corporation; and

(c) acknowledging the overriding right (the "Retraction Call Right") of Dutchco to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request shall be deemed to be a revocable offer by the holder to sell the Retracted Shares to Dutchco in accordance with the Retraction Call Right on the terms and conditions set out in Section 6.3 below.

6.2 Subject to the exercise by Dutchco of the Retraction Call Right, upon receipt by the Corporation or the Transfer Agent in the manner specified in Section 6.1 hereof of a certificate or certificates representing the number of Exchangeable Shares which the holder desires to have the Corporation redeem, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7 hereof, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares. If only a part of the Exchangeable Shares represented by any certificate are redeemed (or purchased by Dutchco pursuant to the Retraction Call Right), a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Corporation.

6.3 Upon receipt by the Corporation of a Retraction Request, the Corporation shall immediately notify Dutchco and Parent thereof. In order to exercise the Retraction Call Right, Parent or Dutchco must notify the Corporation in writing of Dutchco's determination to do so (the "Parent (Dutchco) Call Notice") within two Business Days of notification to Parent and Dutchco by the Corporation of the receipt by the Corporation of the Retraction Request. If the Parent or Dutchco does not so notify the Corporation within such two Business Day period, the Corporation will notify the holder as soon as possible thereafter that Dutchco will not exercise the Retraction Call Right. If Parent or Dutchco delivers the Parent (Dutchco) Call Notice within such two Business Day time period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7, the Retraction Request shall thereupon be considered only to be an offer by the holder to sell the Retracted Shares to Dutchco in accordance with the Retraction Call Right. In such event, the Corporation shall not redeem the Retracted Shares and Dutchco shall purchase from such holder and such holder shall sell to Dutchco on the Retraction Date, the Retracted Shares for a purchase price (the "Purchase Price") per share equal to the Retraction Price per share. For the purposes of completing a purchase pursuant to the Retraction Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Retraction Date, certificates representing Parent Common Shares and a cheque in the amount of the remaining portion, if any, of the total Purchase Price. Provided that the total Purchase Price has been so deposited with the Transfer Agent, the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Corporation of such Retracted Shares shall take place on the Retraction Date. In the event that neither Parent nor Dutchco delivers a

Parent (Dutchco) Call Notice within such two Business Day period, and provided that Retraction Request is not revoked by the holder in the manner specified in Section 6.7, the Corporation shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in this Article 6.

6.4 The Corporation or Dutchco, as the case may be, shall deliver or cause the Transfer Agent to deliver to the relevant holder, at the address of the holder recorded in the securities register of the Corporation for the Exchangeable Shares or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares, certificates representing the Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) registered in the name of the holder or in such other name as the holder may request in payment of the total Retraction Price or the total Purchase Price, as the case may be, and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in payment of the remaining portion, if any, of the total Retraction Price (less any tax required to be deducted and withheld therefrom by the Corporation) or a cheque of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Corporation in Canada in payment of the remaining portion, if any, of the total Purchase Price, as the case may be, and such delivery of such certificates and cheque on behalf of the Corporation or by Dutchco, as the case may be, or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price or total Purchase Price, as the case may be, to the extent that the same is represented by such share certificates and cheque (less any tax required and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Corporation or Dutchco, as the case may be, is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Corporation in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

6.5 On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Retraction Price or total Purchase Price, as the case may be, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price or the total Purchase Price, as the case may be, shall not be made, in which case the rights of such holder shall remain unaffected until the total Retraction Price or the total Purchase Price, as the case may be, has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of the total Retraction Price or the total Purchase Price, as the case may be, has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Corporation or purchased by Dutchco shall thereafter be considered and deemed for all purposes to be a holder of the Parent Common Shares delivered to it.

6.6 Notwithstanding any other provision of this Article 6, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that Dutchco shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the

Corporation shall redeem Retracted Shares in accordance with Section 6.2 of these share provisions on a pro rata basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Corporation, representing the Retracted Shares not redeemed by the Corporation pursuant to Section 6.2 hereof. Provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7 hereof, the holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 6.2 of these share provisions as a result of solvency requirements of applicable law shall be deemed by giving the Retraction Request to require Dutchco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Dutchco to such holder of the Purchase Price for each such Retracted Share, all as more specifically provided in the Voting and Exchange Trust Agreement.

6.7 A holder of Retracted Shares may, by notice in writing given by the holder to the Corporation before the close of business on the Business Day immediately preceding the Retraction Date, withdraw its Retraction Request in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Dutchco shall be deemed to have been revoked.

ARTICLE 7

Redemption of Exchangeable Shares by the Corporation

7.1 Subject to applicable law, and subject to the exercise by Dutchco of the Redemption Call Right, (a) the Corporation shall on the Automatic Redemption Date redeem (the "Automatic Redemption") the whole of the then outstanding Exchangeable Shares for an amount per share equal to (i) the Current Market Price of a Parent Common Share on the last Business Day prior to the Automatic Redemption Date, which shall be satisfied in full by the Corporation causing to be delivered to each holder of Exchangeable Shares one Parent Common Share for each Exchangeable Share held by such holder, plus (ii) an additional amount equivalent to the full amount of all declared and unpaid dividends thereon and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Redemption Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Redemption Date, the Redemption Price shall not include such additional amount equivalent to such dividends), and (b) the Corporation may, at any time when the Corporation reasonably determines that Exchangeable Shares are "held of record" (as such term is defined in Rule 12g5-1 promulgated under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act")) by 500 or more persons ("Record Holders"), redeem (a "Section 12(g) Redemption") that portion of the then outstanding Exchangeable Shares held by that number of Record Holders equal to the difference of (A) the total number of Record Holders and (B) 499, or such smaller number that the Corporation reasonably determines is necessary to take the position that it need not register the Exchangeable Shares pursuant to Section 12(g) of the Exchange Act, the identity of such Record Holders to be determined by the Corporation by lot or other fair method of random determination, for an amount per share equal to the Redemption Price.

7.2 In any case of a redemption of Exchangeable Shares under this Article 7, the Corporation shall, at least 120 days before the Automatic Redemption Date (in the case of the Automatic Redemption), or at least 30 days before the date of a Section 12(g) Redemption (a "Section 12(g) Redemption Date"; the Automatic Redemption Date or a Section 12(g) Redemption Date, as applicable, being referred to in this Section 7.2 as a "Redemption Date"), send or cause to be sent to each holder of Exchangeable Shares to be redeemed a notice in writing of the redemption by the Corporation or the purchase by Dutchco under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. Such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right. On or after the Redemption Date and subject to the exercise by Dutchco of the Redemption Call Right, the Corporation shall cause to be delivered to the holders of the Exchangeable Shares to be redeemed the Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for each such Exchangeable Share upon presentation and surrender

at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Redemption Price for such Exchangeable Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Corporation or by holding for pick up by the holder at the head office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice, on behalf of the Corporation of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the additional amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions comprising part of the total Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation). On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of the total Redemption Price for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Redemption Price has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the sending of notice of its intention to redeem Exchangeable Shares as aforesaid to deposit or cause to be deposited the total Redemption Price of the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada named in such notice. Upon the later of such deposit being made and the Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the total Redemption Price (less any tax required to be deducted and withheld therefrom by the Corporation) for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Redemption Price, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Corporation is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Corporation in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

7.3 Dutchco shall have the overriding right (the "Redemption Call Right"), notwithstanding the proposed redemption of Exchangeable Shares by the Corporation pursuant to this Article 7 of these share provisions, to purchase from all but not less than all of the holders of Exchangeable Shares to be redeemed on the Redemption Date, all but not less than all of the Exchangeable Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Redemption Date which shall be satisfied in full by causing to be delivered to such holder one Parent Common Share plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid on such Exchangeable Share and all dividends declared on Parent Common Shares that have not been declared on such Exchangeable Share in accordance with Section 3.1 of these share provisions (collectively the "Redemption Call Purchase Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Redemption Date, the Redemption Call Purchase Price shall not include such additional amount equivalent to such dividends). In the event of the exercise of the Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Exchangeable Shares held by the holder and otherwise

to be redeemed to Dutchco on the Redemption Date on payment by Dutchco to the holder of the Redemption Call Purchase Price for each such share.

7.4 To exercise the Redemption Call Right, Dutchco must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and the Corporation of Dutchco's intention to exercise such right at least 125 days before the Automatic Redemption Date (in the case of the Automatic Redemption) or at least 35 days before the Section 12(g) Redemption Date (in the case of Section 12(g) Redemption). The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Dutchco has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by Dutchco. If Dutchco exercises the Redemption Call Right, on the Redemption Date, Dutchco will purchase and the holders will sell all of the Exchangeable Shares to be redeemed for a price per share equal to the Redemption Call Purchase Price.

7.5 For the purposes of completing the purchase of Exchangeable Shares pursuant to the Redemption Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Redemption Date, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Redemption Call Purchase Price. Provided that the total Redemption Call Purchase Price has been so deposited with the Transfer Agent, on and after the Redemption Date the rights of each holder of Exchangeable Shares so purchased will be limited to receiving such holder's proportionate part of the total Redemption Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Exchangeable Shares purchased by Dutchco from such holder and the holder shall on and after the Redemption Date be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Corporation and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Corporation in Canada in payment of the remaining portion, if any, of the total Redemption Call Purchase Price. If Dutchco does not exercise the Redemption Call Right in the manner described above, on the Redemption Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Corporation in connection with the redemption of Exchangeable Shares pursuant to this Article 7.

ARTICLE 8

Purchase for Cancellation

8.1 Subject to applicable law and the articles of the Corporation, the Corporation may at any time and from time to time purchase for cancellation all or any part of the outstanding Exchangeable Shares at any price by tender to all the holders of record of Exchangeable Shares then outstanding or through the facilities of any stock exchange on which the Exchangeable Shares are listed or quoted at any price per share together with an amount equal to all declared and unpaid dividends thereon. If in response to an invitation for tenders under the provisions of this Section 8.1, more Exchangeable Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is prepared to purchase, the Exchangeable Shares to be purchased by the Corporation shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Corporation, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Corporation is prepared to purchase after the Corporation has purchased all the shares tendered at lower prices. If only part of the Exchangeable Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

ARTICLE 9

Voting Rights

9.1 Except as required by applicable law, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting.

9.2 Pursuant to the Voting and Exchange Trust Agreement (which by this reference is incorporated into the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares as if set forth herein in its entirety) the holders of Exchangeable Shares (other than Parent, its subsidiaries and Affiliates) shall be entitled to receive notice of and instruct the Trustee under the Voting and Exchange Trust Agreement to exercise voting rights at meetings of holders of Parent Common Shares, all as provided for in the Voting and Exchange Trust Agreement.

ARTICLE 10

Amendment and Approval

10.1 The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed but only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

10.2 Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 50% of the outstanding Exchangeable Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares.

10.3 Exchangeable Shares held by Parent, Dutchco or their Affiliates shall not be included for the purposes of determining a quorum, and shall not vote, in connection with any approval contemplated by Section 10.2 of these share provisions.

ARTICLE 11

Reciprocal Changes, Etc. in Respect of Parent Common Shares

11.1 (a) Pursuant to the Support Agreement, Parent will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions:

(i) issue or distribute Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) to the holders of all or substantially all of the then outstanding Parent Common Shares by way of stock dividend or other distribution, other than an issue of

Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) to holders of Parent Common Shares who exercise an option to receive dividends in Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) in lieu of receiving cash dividends; or

(ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Parent Common Shares entitling them to subscribe for or to purchase Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares); or

(iii) issue or distribute to the holders of all or substantially all of the then outstanding Parent Common Shares (A) shares or securities of Parent of any class other than Parent Common Shares (other than shares convertible into or exchangeable for or carrying rights to acquire Parent Common Shares), (B) rights, options or warrants other than those referred to in Section 11.1(a)(ii) above, (C) evidences of indebtedness of Parent or (D) assets of Parent;

unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares.

(b) Pursuant to the Support Agreement, Parent will not without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions:

(i) subdivide, redivide or change the then outstanding Parent Common Shares into a greater number of Parent Common Shares; or

(ii) reduce, combine or consolidate or change the then outstanding Parent Common Shares into a lesser number of Parent Common Shares; or

(iii) reclassify or otherwise change the Parent Common Shares or effect an amalgamation, merger, reorganization or other transaction affecting the Parent Common Shares;

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares.

Except for ministerial amendments contemplated by Section 3.5 of the Support Agreement, the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions.

11.2 Pursuant to the Voting and Exchange Trust Agreement, the holders of Exchangeable Shares (other than the Parent, its subsidiaries and Affiliates) are given certain rights to exchange their Exchangeable Shares for Parent Common Shares.

ARTICLE 12

Actions by the Corporation Under Support Agreement and Under Voting and Exchange Trust Agreement

12.1 The Corporation will take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to ensure performance and compliance by Parent and Dutchco with all provisions of the Support Agreement and the Voting and Exchange Trust Agreement applicable to the Corporation, Dutchco and Parent, respectively, in accordance with the respective terms thereof including, without limitation, taking all such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Corporation and the holders of Exchangeable Shares all rights and benefits in favor of the Corporation and such holders under or pursuant to such agreements.

12.2 The Corporation shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement and the Voting and Exchange Trust Agreement (except as contemplated therein) without the approval of the holders or the Exchangeable Shares given in accordance with Section 10.2 of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

(a) adding to the covenants of the other party or parties to such agreement for the protection of the Corporation or the holders of Exchangeable Shares thereunder; or

(b) making such provisions or modifications not inconsistent with the spirit and intent of such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the opinion, after consultation with counsel, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes in or corrections to such agreement which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the opinion, after consultation with counsel, that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

ARTICLE 13

Legend

13.1 The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement, the deemed delivery of a Retraction Request as contemplated in Section 6.1 of these share provisions, the provisions relating to the Liquidation Call Right and the Redemption Call Right, and the Voting and Exchange Trust Agreement (including the provisions with respect to the voting rights, exchange right and automatic exchange thereunder).

ARTICLE 14

Notices

14.1 Any notice, request or other communication to be given to the Corporation by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by telecopy or by delivery to the head office of the Corporation and addressed to the attention of the President. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation.

14.2 Any presentation and surrender by a holder of Exchangeable Shares to the Corporation or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding up of the Corporation or the retraction or redemption of Exchangeable Shares shall be made by registered mail (postage prepaid) or by delivery to the head office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the President of the Corporation. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail shall be at the sole risk of the holder mailing the same.

14.3 Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Corporation shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address of the holder recorded in the securities register of the Corporation or, in the event

of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the third Business Day following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant thereto.

ARTICLE 15

Guaranty/Assignment

15.1 Parent Guaranty/Assignment

Parent hereby unconditionally and irrevocably guarantees the full and punctual performance of all of Dutchco's obligations hereunder. Dutchco may assign all or a portion of its rights and obligations hereunder to Parent without the consent of the Corporation or holders of Exchangeable Shares provided Parent remains bound by these provisions.

ARTICLE 16

General

16.1 Withholding Rights

The Corporation, Parent, Dutchco and Transfer Agent shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Exchangeable Shares such amounts as Parent, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, the Corporation, Dutchco and Transfer Agent are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to Parent, Dutchco or Transfer Agent, as the case may be, in order to enable it to comply with such deduction or withholding requirement and Parent, Dutchco or Transfer Agent shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

ARTICLE 17

Par Value

17.1 Par Value

The Exchangeable Shares shall have a par value of $ per share.

Gouvernement du Quebec
L'Inspecteur general
des Institutions financieres

Exhibit 2.3 A-110720-H9401

Form 6
ARTICLES OF AMALGAMATION
The Companies Act, R.S.Q., c. C-38
Part 1A

1 Corporate name of the company resulting from the amalgamation
DISCREET LOGIC INC./

LOGIQUE DISCRETE INC.

1.1 [_] Simplified amalgamation

2 Quebec judicial district where company has set up its head office

Montreal

3 Precise number or minimum and maximum number of directors

MINIMUM: 1 MAXIMUM: 15

4 Effective date if after filing date

16/03/1999

5 Description of share capital

See the provisions of the attached SCHEDULE A, forming an integral part of the Form 6.

6 Restrictions on the transfer of shares, if any

None

7 Limitations on activities, if any

None

8 Other provisions

See the provisions of the attached SCHEDULE B, forming an integral part of this Form 6.

Corporate name of amalgamating companies	Signature of authorized director
DISCREET LOGIC INC./LOGIQUE DISCRETE INC.	/s/ Richard J. Szalwinski
9066-9854 QUEBEC INC.	/s/ Eric B. Herr
9066-9771 QUEBEC INC.	/s/ Eric B. Herr

If space allotted is insufficient, attach an appendix in two (2) copies

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CA-216 (Rev. 12-93)

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Form 6
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The Companies Act, R.S.Q., c. C-38
Part 1A

5 Description of share capital

Authorized Share Capital.
- ------------------------

Upon the Amalgamation, the Company shall be authorized to issue:

an unlimited number of Class A voting common shares;

an unlimited number of Class B non-voting common shares;

an unlimited number of Class C non-voting preferred shares;

a limited number of 150,000 Class D non-voting preferred shares;

an unlimited number of Class E voting common shares;

an unlimited number of Class F non-voting common shares; and

an unlimited number of exchangeable non-voting shares,

all of which shall be without par value, except for the exchangeable non-voting shares which shall have a par value provided for in the provisions set forth herein for the said exchangeable non-voting shares.

Definitions.
- -----------

For the purposes of these share provisions, except as otherwise indicated:

"Amalgamation" means the amalgamation of Discreet Logic Inc., 9066-9854 Quebec Inc., and 9066-9771 Quebec Inc. under the Quebec Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than a Saturday, a Sunday or a day when banks are not open for business in either or both of San Francisco, California and Montreal, Quebec.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued to the Company by the Inspector General of Financial Institutions under the Quebec Act in respect of the Amalgamation.

"Class A Shares" means the Class A voting common shares in the share capital of the Company.

"Class B Conversion Time" has the meaning ascribed thereto in Section 5.1 of the provisions attaching to the Class B Shares.

"Class B Retraction Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class B Shares.

"Class B Shares" means the Class B non-voting common shares in the share capital of the Company.

"Class C Shares" means the Class C non-voting preferred shares in the share capital of the Company.

"Class D Redemption Date" has the meaning ascribed thereto in Section 4.2 of the provisions attaching to the Class D Shares.

"Class D Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class D Shares.

"Class D Shares" means the Class D non-voting preferred shares in the share capital of the Company.

"Class E Redemption Call Purchase Price" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class E Shares.

"Class E Redemption Call Right" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class E Shares.

"Class E Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class E Shares.

"Class E Redemption Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class E Shares.

"Class E Shares" means the Class E voting common shares in the share capital of the Company.

"Class F Redemption Call Purchase Price" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class F Shares.

"Class F Redemption Call Right" has the meaning ascribed thereto in Section 4.3 of the provisions attaching to the Class F Shares.

"Class F Redemption Price" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class F Shares.

"Class F Redemption Time" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class F Shares.

"Class F Shares" means the Class F non-voting common shares in the share capital of the Company.

"Company" means the company resulting from the Amalgamation.

"Current Market Price" means, in respect of a Parent Common Share on any date, the Canadian Dollar Equivalent of the average of the closing prices of Parent Common Shares on Nasdaq on each of the thirty (30) consecutive trading days ending not more than five trading days before such date, or, if the Parent Common Shares are not then quoted on Nasdaq, on such other stock exchange or automated quotation system on which the Parent Common Shares are listed or quoted, as the case may be, as may be selected by the Board of Directors for such purpose; provided, however, that if there is no public distribution or trading activity of Parent Common Shares during such period, then the Current Market Price of a Parent Common Share shall be determined by the Board of Directors based upon the advice of such qualified independent financial advisors as the Board of Directors may deem to be appropriate, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding.

"Discreet" means Discreet Logic Inc., a predecessor to the Company.

"Discreet Common Shares" means the common shares of Discreet.

"Discreet Meeting" means the special general meeting of the shareholders of Discreet to be held to consider the Amalgamation.

"Dutchco" means Autodesk Development B.V., a corporation subsisting under the laws of The Netherlands or, where applicable, such other subsidiary of Autodesk or Dutchco to which Dutchco has assigned some or all of its rights under the Combination Agreement.

"Effective Date" means the date of the Amalgamation as set forth in the Certificate of Amalgamation.

"Effective Time" means 4:28 p.m. (Montreal time) on the Effective Date.

"Election Deadline" has the meaning ascribed thereto in Section 4.1 of the provisions attaching to the Class B Shares.

"Exchangeable Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares as set forth herein.

"Exchangeable Shares" means the exchangeable non-voting shares in the share capital of the Company.

"Maximum Number" means the number that is equal to 19.99% of the number of Discreet Common Shares outstanding immediately prior to the Amalgamation multiplied by 0.33.

"Nasdaq" means the Nasdaq National Market.

"Parent" means Autodesk, Inc., a body corporate existing under the laws of the State of Delaware.

"Parent Common Shares" means the common shares in the share capital of Parent.

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"Quebec Act" means the Companies Act (Quebec), as amended.

"Transfer Agent" means Harris Trust and Savings Bank or such other person as may from time to time be the registrar and transfer agent for the Exchangeable Shares.

PROVISIONS ATTACHING TO CLASS A SHARES

The Class A voting common shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class A Shares with respect to priority in the payment of dividends, the holders of Class A Shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the Board of Directors out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the Class A Shares shall be declared and paid in equal amounts per share on all Class A Shares at the time outstanding; and, subject as aforesaid, the Board of Directors may in their discretion declare dividends on the Class A Shares without declaring dividends on any of the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or the Exchangeable Shares.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the capital of the Company, the Class D Shares, the Class C Shares and to any other shares ranking senior to the Class A Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up of the Company, the holders of the Class A Shares shall be entitled to receive the remaining property and assets of the Company ratably with the holders of the Class B Shares, the Class E Shares and the Class F Shares.

3. Voting Rights

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

4. Amendment and Approval

4.1 The rights, privileges, restrictions and conditions attaching to the Class A Shares may be added to, changed or removed but only with the approval of the holders of the Class A Shares given as hereinafter specified, and any other approval required by law.

4.2 Any approval given by the holders of the Class A Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Shares or any other matter requiring the approval or consent of the holders of the Class A Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class A Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class A Shares duly called and held at which the holders of at least 50% of the outstanding Class A Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class A Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class A Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class A Shares.

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PROVISIONS ATTACHING TO CLASS B SHARES

The Class B non-voting common shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class B Shares with respect to priority in the payment of dividends, the holders of Class B Shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the Board of Directors out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the Class B Shares shall be declared and paid in equal amounts per share on all Class B Shares at the time outstanding; and, subject as aforesaid, the Board of Directors may in their discretion declare dividends on the Class B Shares without declaring dividends on any of the Class A Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or the Exchangeable Shares.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the share capital of the Company, the Class D Shares and the Class C Shares and to any other shares ranking senior to the Class B Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class B Shares shall be entitled to receive the remaining property and assets of the Company ratably with the holders of the Class A Shares, the Class E Shares and the Class F Shares.

3. Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class B Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Company and shall not be entitled to vote at any meeting of shareholders of the

Company, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of the property of the Company.

4. Retraction

4.1 A holder of Class B Shares shall be entitled immediately following the Effective Time (the "Class B Retraction Time"), subject to applicable law and otherwise upon compliance with and subject to the provisions of this Section 4, to require the Company to redeem all or any number of the Class B Shares registered in the name of such holder for an amount per share equal to the Current Market Price of 0.33 of one Parent Common Share on the last Business Day prior to the Class B Retraction Time, which shall be satisfied in full by the Company causing to be delivered to such holder 0.33 of one Exchangeable Share for each Class B Share presented and surrendered by the holder (the "Class B Retraction Price"). To effect such redemption, the holder shall no later than 4:29 p.m (Montreal time) on the Effective Date (the "Election Deadline") present and surrender at the head office of Discreet acting on behalf of the Company or the Company or at any office of the Transfer Agent or such other place as may be specified by the Company by notice to the holders of Discreet's Common Shares (on behalf of the holders of the Class B Shares) the certificate or certificates representing the Class B Shares which the holder desires to have the Company redeem (evidenced by the certificate or certificates representing Discreet's Common Shares which, as a result of the Amalgamation, represent such Class B Shares), together with such other documents and instruments as may be required to effect a transfer of Class B Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, and together with a duly executed statement (the "Class B Retraction Request") in such form as may be acceptable to the Company specifying that the holder desires to have all or any number specified therein of the Class B Shares represented by such certificate or certificates (the "Retracted Shares") redeemed by the Company.

4.2 Upon receipt by the Company or the Transfer Agent in the manner specified in Section 4.1 hereof of a certificate or certificates representing the number of Class B Shares which the holder desires to have the Company redeem, together with the documents and instruments contemplated by Section 4.1 (including a Class B Retraction Request), and provided that the Class B Retraction Request is not revoked by the holder in the manner specified in Section 4.6 hereof, the Company shall redeem the Retracted Shares effective at the Class B Retraction Time and shall cause to be delivered to such

holder the total Retraction Price with respect to such shares. If only a part of the Class B Shares represented by any certificate are redeemed, the balance of shares represented by such certificate shall be governed by the provisions of Section 5.1 of these share provisions relating to the Class B Shares.

4.3 The Company shall deliver or cause the Transfer Agent to deliver to the relevant holder, at the address of the holder recorded in the securities register of the Company for the Class B Shares or at the address specified in the holder's Class B Retraction Request or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Class B Shares, certificates representing the Exchangeable Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) registered in the name of the holder or in such other name as the holder may request in payment of the total Class B Retraction Price and such delivery of such certificates on behalf of the Company or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the total Class B Retraction Price to the extent that the same is represented by such share certificates. All Class B Shares which have been so retracted shall be cancelled.

4.4 As of the Class B Retraction Time, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Class B Retraction Price.

4.5 Notwithstanding any other provision of this Section 4, the Company shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares (i) would be contrary to solvency requirements or other provisions of applicable law or (ii) would cause the aggregate number of Exchangeable Shares issuable on retraction to exceed the Maximum Number. If the Company believes that at the Class B Retraction Time it would not be permitted by the foregoing to redeem the Retracted Shares tendered for redemption on such date, the Company shall only be obligated to redeem Retracted Shares specified by a holder in a Class B Retraction Request to the extent of the maximum number of shares that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions or the maximum number of Exchangeable Shares as would not exceed the Maximum Number and shall notify the holder immediately following the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Company. In any

case in which the redemption by the Company of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law or would cause the Exchangeable Shares to be issued to exceed the Maximum Number, the Company shall redeem Retracted Shares in accordance with Section 4.2 of these share provisions on a pro rata basis.

4.6 A holder of Retracted Shares may, by notice in writing given by the holder to the Company at the head office of Discreet on behalf of the Company or of the Company, not less than two Business Days immediately preceding the Class B Retraction Time, withdraw its Class B Retraction Request in which event such Class B Retraction Request shall be null and void.

4.7 No certificates or scrip representing fractional Exchangeable Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 4.3 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in an Exchangeable Share will receive from the Company an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.8 In the event of a transfer of ownership of Discreet Common Shares in respect of which a Class B Retraction Request has been duly made prior to the Class B Retraction Time but which is not registered in the transfer records of Discreet prior to the Effective Date, a certificate representing the proper number of Exchangeable Shares may be issued to a transferee if the certificate representing such Discreet Common Shares is presented to the Transfer Agent, together with a Class B Retraction Request executed by the transferee accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Discreet Common Shares that were converted pursuant to the Amalgamation into Class B Shares and subsequently retracted by the holder pursuant to the Class B Share provisions shall have been lost, stolen or destroyed, upon the making of

an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Exchangeable Shares deliverable in respect thereof as determined in accordance with this Section 4. When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Exchangeable Shares are to be issued shall, at the discretion of the Company, as a condition precedent to the issuance thereof, give a bond satisfactory to the Company in such sum as the Company may direct or otherwise indemnify the Company in a manner satisfactory to the Company against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 A Class B Retraction Request executed by a holder of Discreet Common Shares in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes to constitute a good and valid Class B Retraction Request executed by a holder of Class B Shares. Any notice by Discreet to a holder of Discreet Common Shares in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes to constitute good and valid notice by the Company to the holders of Class B Shares. Any notice by a holder of Discreet Common Shares to Discreet in respect of Class B Shares to be issued upon the Amalgamation shall be deemed for all purposes of these share provisions to constitute good and valid notice by a holder of Class B Shares to the Company.

5. Automatic Conversion of Class B Shares

5.1 Immediately following the Class B Retraction Time (the "Class B Conversion Time") each Class B Share then outstanding shall, automatically and without any further action required on the part of either the Company or the holder of the Class B Share, be converted into a unit consisting of one fully paid and non-assessable Class E Share and one fully paid and non-assessable Class F Share whereupon each such Class B Share will be cancelled, and the name of each holder thereof shall be removed from the register of holders of Class B Shares and added to the registers of holders of Class E Shares and Class F Shares accordingly.

5.2 No certificates shall be issued by the Company representing the Class E Shares and the Class F Shares. The certificates representing the Class B Shares shall continue to represent an equal number of Class E and Class F Shares. On and after the Class B Conversion Time, the holders of the Class B Shares so converted shall cease to be holders

of such Class B Shares and shall not be entitled to exercise any of the rights of holders in respect thereof.

6. Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class B Shares may be added to, changed or removed but only with the approval of the holders of the Class B Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class B Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Shares or any other matter requiring the approval or consent of the holders of the Class B Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class B Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class B Shares duly called and held at which the holders of at least 50% of the outstanding Class B Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class B Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class B Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class B Shares.

PROVISIONS ATTACHING TO CLASS C SHARES

The Class C non-voting preferred shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

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1. Dividends

1.1 The holders of Class C Shares shall be entitled to receive and the Company shall pay to them, always in preference and priority to any payment of dividends on the Class A Shares, the Class B Shares, the Class E Shares and the Class F Shares of the Company and any other shares of the Company ranking junior to the Class C Shares, but subject to the prior rights of the holders of the Exchangeable Shares and Class D Shares, as and when declared by the Board of Directors out of monies of the Company properly applicable to the payment of dividends, annual fixed, preferential, non-cumulative cash dividends in an amount per share equal to $60,000 divided by the number of Class C Shares outstanding payable annually.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares and the Class D Shares and to any other shares ranking senior to the Class C Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class C Shares shall be entitled to receive an amount per share equal to the fair market value of all the issued and outstanding shares of 9066-9854 Quebec Inc. immediately prior to the Amalgamation divided by the number of issued and outstanding Class C Shares and no more, in priority to the rights of the holders of the Class E Shares, the Class F Shares, the Class A Shares and the Class B Shares.

3. Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class C Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Company and shall not be entitled to vote at any meeting of shareholders of the Company, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of the property of the Company.

4. Amendment and Approval

4.1 The rights, privileges, restrictions and conditions attaching to the Class C Shares may be added to, changed or removed but only with the approval of the holders of the Class C Shares given as hereinafter specified, and any other approval required by law.

4.2 Any approval given by the holders of the Class C Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class C Shares or any other matter requiring the approval or consent of the holders of the Class C Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class C Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class C Shares duly called and held at which the holders of at least 50% of the outstanding Class C Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class C Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class C Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class C Shares.

PROVISIONS ATTACHING TO CLASS D SHARES

The Class D non-voting preferred shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 The holders of Class D Shares shall be entitled to receive and the Company shall pay to them, always in preference and priority to any payment of dividends on the Class A Shares, the Class B Shares, the Class C Shares, the Class E Shares and the Class F Shares of the Company and any other shares of the Company ranking junior to the Class D

Shares, as and when declared by the Board of Directors out of monies of the Company properly applicable to the payment of dividends, fixed, preferential, cumulative cash dividends at the annual rate per share of 5% of the Class D Liquidation Amount (as defined below) payable annually, by cheque of the Company. Such dividend on any particular Class D Share shall accrue and be cumulative from the date of issue of such Class D Share.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares and to any other shares ranking senior to the Class D Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class D Shares shall be entitled to receive in the aggregate an amount per share equal to $150,000 divided by the number of issued and outstanding Class D Shares (the "Class D Liquidation Amount") and no more, in priority to the rights of the holders of the Class C Shares, the Class A Shares, the Class B Shares, the Class E Shares and the Class F Shares.

3. Voting Rights

3.1 Except where specifically provided by the Quebec Act, the holders of the Class D Shares shall not be entitled to receive notice of or to attend meetings of the shareholders of the Company and shall not be entitled to vote at any meeting of shareholders of the Company, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of the property of the Company.

4. Redemption of Class D Shares by the Company

4.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Company shall be entitled at any time from and after October 31, 2028 to redeem any or all of the Class D Shares registered in the name of a holder for an amount per share equal to (a) $150,000 divided by the number of issued and outstanding Class D Shares plus (b) an additional amount equivalent to the full amount on all dividends accrued and unpaid thereon (herein collectively called the "Class D Redemption Price").

4.2 To effect such redemption the Company shall, at least ten days prior to the date fixed for redemption (the "Class D Redemption Date") send to each holder of Class D Shares to be redeemed a notice in writing of the redemption by the Company of Class D Shares held by such holder. Such notice shall set out the Class D Redemption Price and the Class D Redemption Date. On or after the Class D Redemption Date, the Company shall cause to be delivered to the holders of the Class D Shares to be redeemed the Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for each such Class D Share upon presentation and surrender at the head office of the Company of the certificates representing such Class D Shares, together with such other documents and instruments as may be required to effect a transfer of Class D Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Company may reasonably require. Payment of the total Class D Redemption Price for such Class D Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at the head office of the Company of a cheque of the Company payable at par at any branch of the bankers of the Company in respect of the Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Company). On and after the Class D Redemption Date, the holders of the Class D Shares called for redemption shall cease to be holders of such Class D Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class D Redemption Price, unless payment of the total Class D Redemption Price for such Class D Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class D Redemption Price has been paid in the manner hereinbefore provided. The Company shall have the right at any time after the sending of notice of its intention to redeem Class D Shares as aforesaid to deposit or cause to be deposited the total Class D Redemption Price of the Class D Shares so called for redemption, or of such of the said Class D Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada named in such notice. Upon the later of such deposit being made and the Class D Redemption Date, the Class D Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class D Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the total Class D Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for such Class D

Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions.

5. Purchase for Cancellation

5.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Company may at any time and from time to time purchase for cancellation all or any part of the outstanding Class D Shares at any price by tender to all the holders of record of Class D Shares then outstanding or through the facilities of any stock exchange on which Class D Shares are listed or quoted at any price per share. If in response to an invitation for tenders under the provisions hereof, more Class D Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, Class D Shares to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices. If part only of the Class D Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Company. Subject as aforesaid, the Company may effect such purchase for cancellation without purchasing for cancellation shares of any other Class of shares of the Company.

6. Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class D Shares may be added to, changed or removed but only with the approval of the holders of the Class D Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class D Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class D Shares or any other matter requiring the approval or consent of the holders of the Class D Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class D Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class D Shares duly called and held at which the holders of at least 50% of the outstanding

Class D Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class D Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class D Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class D Shares.

PROVISIONS ATTACHING TO CLASS E SHARES

The Class E voting common shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class E Shares with respect to priority in the payment of dividends, the holders of Class E Shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the Board of Directors out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the Class E Shares shall be declared and paid in equal amounts per share on all Class E Shares at the time outstanding; and, subject as aforesaid, the Board of Directors may in their discretion declare dividends on the Class E Shares without declaring dividends on any of the Class A Shares, Class B Shares, Class C Shares, Class D Shares or Class F Shares.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares in the share capital of the Company, the Class D Shares, the Class C Shares and to any other shares ranking senior to the Class E Shares

with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class E Shares shall be entitled to receive the remaining property and assets of the Company ratably with the holders of the Class A Shares, the Class B Shares and the Class F Shares.

3. Voting Rights

3.1 The holders of the Class E Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and, together with the holders of Class A Shares, shall have one vote for each share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified Class or series of shares of the Company are entitled to vote separately as a Class or series.

4. Redemption of Class E Shares by the Company

4.1 Subject to applicable law, and subject to the exercise by Dutchco of the Class E Redemption Call Right, the Company shall be entitled, immediately following the Class B Conversion Time (the "Class E Redemption Time") without notice to the holders of the Class E Shares, but with prior notice to Dutchco, to redeem the whole of the then outstanding Class E Shares for an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Class E Redemption Time, which shall be satisfied in full by the Company causing to be delivered to each holder of Class E Shares 0.165 of one Parent Common Share for each Class E Share held by such holder (the "Class E Redemption Price").

4.2 At or after the Class E Redemption Time and subject to the exercise by Dutchco of the Class E Redemption Call Right, the Company shall cause to be delivered to the holders of the Class E Shares to be redeemed the Class E Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for each such Class E Share upon presentation and surrender (at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company) of the certificates representing such Class E Shares, or such other certificates of securities of any predecessor of the Company acceptable to the Company (including those representing Discreet Common Shares) together with such other documents and instruments as may be required to effect a transfer of Class E Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Class E Redemption Price for such Class E Shares shall be made by

delivery to each holder, at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company, on behalf of the Company of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) (less any tax required to be deducted and withheld therefrom by the Company). At and after the Class E Redemption Time, the holders of the Class E Shares called for redemption shall cease to be holders of such Class E Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class E Redemption Price, unless payment of the total Class E Redemption Price for such Class E Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class E Redemption Price has been paid in the manner hereinbefore provided. Subject to the exercise of the Class E Redemption Call Right, the Company shall have the right at any time to deposit or cause to be deposited the total Class E Redemption Price of the Class E Shares so called for redemption, or of such of the said Class E Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada or the United States. Upon the later of such deposit being made and the Class E Redemption Time, the Class E Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class E Redemption Time, as the case may be, shall be limited to receiving their proportionate part of the total Class E Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for such Class E Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Class E Redemption Price, the holders of the Class E Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them.

4.3 Dutchco shall have the overriding right (the "Class E Redemption Call Right"), notwithstanding the proposed redemption of Class E Shares by the Company, to purchase from all but not less than all of the holders of Class E Shares to be redeemed at the Class E Redemption Time, all but not less than all of the Class E Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the

Class E Redemption Time which shall be satisfied in full by causing to be delivered to such holder 0.165 of one Parent Common Share (the "Class E Redemption Call Purchase Price"). In the event of the exercise of the Class E Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Class E Shares held by the holder and otherwise to be redeemed to Dutchco at the Class E Redemption Time on payment by Dutchco to the holder of the Class E Redemption Call Purchase Price for each such share.

4.4 To exercise the Class E Redemption Call Right, Dutchco must notify the Company of Dutchco's intention to exercise such right prior to the Class E Redemption Time (which notice may be given to Discreet on behalf of the Company). If Dutchco exercises the Class E Redemption Call Right, Dutchco will, at the Class E Redemption Time, purchase and the holders will sell all of the Class E Shares to be redeemed for a price per share equal to the Class E Redemption Call Purchase Price. Any notice by Dutchco to Discreet for and on behalf of the Company shall be deemed to constitute good and valid notice by Dutchco to the Company.

4.5 For the purposes of completing the purchase of Class E Shares pursuant to the Class E Redemption Call Right, Dutchco shall deposit with the Transfer Agent, at or before the Class E Redemption Time, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Class E Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Class E Redemption Call Purchase Price. Provided that the total Class E Redemption Call Purchase Price has been so deposited with the Transfer Agent, at and after the Class E Redemption Time the rights of each holder of Class E Shares so purchased will be limited to receiving such holder's proportionate part of the total Class E Redemption Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Class E Shares purchased by Dutchco from such holder and the holder shall at and after the Class E Redemption Time be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Class E Shares, together with such other documents and instruments as may be required to effect a transfer of Class E Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of or on behalf of Dutchco payable at par and in

Canadian dollars at any branch of the bankers of Dutchco or of the Company in Canada in payment of the remaining portion, if any, of the total Class E Redemption Call Purchase Price. If Dutchco does not exercise the Class E Redemption Call Right in the manner described herein, at the Class E Redemption Time the holders of the Class E Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Company in connection with the redemption of Class E Shares.

4.6 No certificates or scrip representing fractional Parent Common Shares shall be issued upon the surrender for exchange of certificates pursuant to Sections 4.2 or 4.5 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in a Parent Common Share will receive from the Company or Dutchco, as the case may be, an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.7 No dividends or other distributions declared or made after the Class E Redemption Time with respect to Parent Common Shares with a record date after the Class E Redemption Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Class E Redemption Time represented Class E Shares that were redeemed or purchased pursuant to these Class E Share provisions, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 4.6 hereof, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Sections 4.2 or 4.5 hereof, as the case may be. Subject to applicable law, at the time of such surrender of any such certificate there shall be paid to the record holder of the certificates representing whole Parent Common Shares without interest (i) the amount of any cash payable in lieu of a fractional Parent Common Share to which such holder is entitled pursuant to Section 4.6 hereof, (ii) the amount of dividends or other distributions with a record date after the Class E Redemption Time theretofore paid with respect to such whole Parent Common Share and (iii) the amount of dividends or other distributions with a record date after the Class E Redemption Time but prior to surrender

and a payment date subsequent to surrender payable with respect to such whole Parent Common Share.

4.8 In the event of a transfer of ownership of Discreet Common Shares which is not registered in the transfer records of Discreet prior to the Effective Date, a certificate representing the proper number of Parent Common Shares may be issued to a transferee if the certificate representing such Discreet Common Shares is presented to the Transfer Agent, accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Discreet Common Shares that were converted to Class B Shares on the Amalgamation and subsequently converted into Class E Shares at the Class B Conversion Time shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Parent Common Shares (and any dividends or distributions with respect thereto and any cash pursuant to Section 4.6 hereof) deliverable in respect thereof as determined in accordance with Sections 4.2 or 4.5 hereof. When authorizing such issuance and/or payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Parent Common Shares are to be issued shall, at the discretion of the Company or Dutchco, as the case may be, as a condition precedent to the issuance thereof, give a bond satisfactory to the Company, the Affiliate or Dutchco, as the case may be, in such sum as the Company or Dutchco may direct or otherwise indemnify the Company or Dutchco in a manner satisfactory to the Company, the Affiliate or the Dutchco, as the case may be, against any claim that may be made against the Company, the Affiliate or Dutchco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 The Company and Dutchco shall be entitled to deduct and withhold from the Class E Redemption Price, the Class E Redemption Call Price payable pursuant to these Class E Share Provisions to any holder of Class E Shares such amounts as Parent, the Affiliate, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such

withheld amounts are actually remitted to the appropriate taxing authority. To the extent any amount is required to be deducted or withheld from any payment to a holder, the Company or Dutchco as the case may be, are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to the Company or Dutchco, as the case may be, in order to enable it to comply with such deduction or withholding requirement and the Company or Dutchco, as the case may be, shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

4.11 The Company shall not be entitled to redeem, nor shall Dutchco be entitled to purchase, any Class E Shares pursuant to this Section 4 unless at the same time the Company redeems or Dutchco, purchases at the same time and in the same manner all issued and outstanding Class F Shares.

5. Purchase for Cancellation

5.1 Subject to applicable law and to Section 4.1 of the Exchangeable Share Provisions, the Company may at any time and from time to time purchase for cancellation all or any part of the outstanding Class E Shares at any price by tender to all the holders of record of Class E Shares then outstanding or through the facilities of any stock exchange on which Class E Shares are listed or quoted at any price per share. If in response to an invitation for tenders under the provisions hereof, more Class E Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, Class E Shares to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices. If only part of the Class E Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Company. Subject as aforesaid, the Company may effect such purchase for cancellation without purchasing for cancellation shares of any other Class of shares of the Company.

6. Issued and Paid-Up Capital Account

6.1 Where Class E Shares and Class F Shares are issued on a conversion of Class B Shares, the amount to be added to the issued and paid-up capital account of the Class E Shares for purposes of the Quebec Act and the paid-up capital account of the Class E Shares for purposes of the Income Tax Act (Canada) shall be equal to the aggregate of the issued and paid-up capital of such Class B Shares so converted, less $1.

7. Amendment and Approval

7.1 The rights, privileges, restrictions and conditions attaching to the Class E Shares may be added to, changed or removed but only with the approval of the holders of the Class E Shares given as hereinafter specified, and any other approval required by law.

7.2 Any approval given by the holders of the Class E Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class E Shares or any other matter requiring the approval or consent of the holders of the Class E Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class E Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class E Shares duly called and held at which the holders of at least 50% of the outstanding Class E Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class E Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class E Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class E Shares.

Gouvernement du Quebec
L'Inspecteur general
des institutions financieres

SCHEDULE A
Form 6
ARTICLES OF AMALGAMATION
The Companies Act, R.S.Q., c. C-38
Part 1A

PROVISIONS ATTACHING TO CLASS F SHARES

The Class F non-voting common shares in the share capital of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Subject to the prior rights of the holders of any shares ranking senior to the Class F Shares with respect to priority in the payment of dividends, the holders of Class F Shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the Board of Directors out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine and all dividends which the directors may declare on the Class F Shares shall be declared and paid in equal amounts per share on all Class F Shares at the time outstanding; and, subject as aforesaid, the Board of Directors may in their discretion declare dividends on the Class F Shares without declaring dividends on any of the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares or the Exchangeable Shares.

2. Dissolution

2.1 In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Exchangeable Shares, the Class D Shares and the Class C Shares and to any other shares ranking senior to the Class F Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Class F Shares shall be entitled to receive the remaining property and assets of the Company ratably with the holders of the Class A Shares, the Class B Shares and the Class E Shares.

3. Voting Rights

3.1 The holders of Class F Shares shall be entitled to vote separately as a Class on any change of the head office of the Company. Each Class F Share shall carry one vote at any meeting called for such purpose. Except as aforesaid and except where specifically

provided by the Quebec Act the holders of the Class F Shares shall not otherwise be entitled to receive notice of or to attend meetings of the shareholders of the Company and shall not be entitled to vote at any meeting of shareholders of the Company, but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company.

4. Redemption of Class F Shares by the Company

4.1 Subject to applicable law, and subject to the exercise by Dutchco of the Class F Redemption Call Right, the Company shall be entitled, immediately following the Class B Conversion Time (the "Class F Redemption Time") without notice to the holders of Class F Shares, but with prior notice to Dutchco, to redeem the whole of the then outstanding Class F Shares for an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Redemption Time, which shall be satisfied in full by the Company causing to be delivered to each holder of Class F Shares 0.165 of one Parent Common Share for each Class F Share held by such holder (the "Class F Redemption Price").

4.2 At or after the Class F Redemption Time and subject to the exercise by Dutchco of the Class F Redemption Call Right, the Company shall cause to be delivered to the holders of the Class F Shares to be redeemed the Class F Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for each such Class F Share upon presentation and surrender (at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company in such notice) of the certificates representing such Class F Shares, or such other certificates of securities or any predecessor of the Company acceptable to the Company (including those representing Discreet Common Shares) together with such other documents and instruments as may be required to effect a transfer of Class F Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Class F Redemption Price for such Class F Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company, on behalf of the Company of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) (less any tax required to be deducted and withheld therefrom by the Company). At and after the Class F Redemption Time, the holders of the

Class F Shares called for redemption shall cease to be holders of such Class F Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Class F Redemption Price, unless payment of the total Class F Redemption Price for such Class F Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Class F Redemption Price has been paid in the manner hereinbefore provided. Subject to the exercise of the Class F Redemption Call Right by Dutchco, the Company shall have the right at any time to deposit or cause to be deposited the total Class F Redemption Price of the Class F Shares so called for redemption, or of such of the said Class F Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada or the United States. Upon the later of such deposit being made and the Class F Redemption Time, the Class F Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Class F Redemption Time, as the case may be, shall be limited to receiving their proportionate part of the total Class F Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for such Class F Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Class F Redemption Price, the holders of the Class F Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them.

4.3 Dutchco shall have the overriding right (the "Class F Redemption Call Right"), notwithstanding the proposed redemption of Class F Shares by the Company, to purchase from all but not less than all of the holders of Class F Shares to be redeemed at the Class F Redemption Time, all but not less than all of the Class F Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to the Current Market Price of 0.165 of one Parent Common Share on the last Business Day prior to the Class F Redemption Time which shall be satisfied in full by causing to be delivered to such holder 0.165 of one Parent Common Share (the "Class F Redemption Call Purchase Price"). In the event of the exercise of the Class F Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Class F Shares held by the holder and otherwise to be redeemed to Dutchco at the Class F Redemption Time on payment by Dutchco to the holder of the Class F Redemption Call Purchase Price for each such share.

4.4 To exercise the Class F Redemption Call Right, Dutchco must notify the Company of Dutchco's intention to exercise such right prior to the Class F Redemption Time (which notice may be given to Discreet on behalf of the Company). If Dutchco exercises the Class F Redemption Call Right, Dutchco will, at the Class F Redemption Time, purchase and the holders will sell all of the Class F Shares to be redeemed for a price per share equal to the Class F Redemption Call Purchase Price. Any notice by Dutchco to Discreet for and on behalf of the Company shall be deemed to constitute good and valid notice by Dutchco to the Company.

4.5 For the purposes of completing the purchase of Class F Shares pursuant to the Class F Redemption Call Right, Dutchco shall deposit with the Transfer Agent, at or before the Class F Redemption Time, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Class F Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Class F Redemption Call Purchase Price. Provided that the total Class F Redemption Call Purchase Price has been so deposited with the Transfer Agent, at and after the Class F Redemption Time the rights of each holder of Class F Shares so purchased will be limited to receiving such holder's proportionate part of the total Class F Redemption Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Class F Shares purchased by Dutchco from such holder and the holder shall at and after the Class F Redemption Time be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Class F Shares, together with such other documents and instruments as may be required to effect a transfer of Class F Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of or on behalf of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Company in Canada in payment of the remaining portion, if any, of the total Class F Redemption Call Purchase Price. If Dutchco does not exercise the Class F Redemption Call Right in the manner described herein, at the Class F Redemption Time the holders of the Class F Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Company in connection with the redemption of Class F Shares.

4.6 No certificates or scrip representing fractional Parent Common Shares shall be issued upon the surrender for exchange of certificates pursuant to Sections 4.2 or 4.5 hereof and no dividend, stock split or other change in the capital structure of Parent shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to vote or to exercise any rights as a security holder of Parent. In lieu of any such fractional securities, each person entitled to a fractional interest in a Parent Common Share will receive from the Company or Dutchco as the case may be, an amount in cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average of the closing price for the Parent Common Shares on Nasdaq as of each of the thirty (30) consecutive trading days immediately preceding the Effective Date as quoted in The Wall Street Journal or other reliable financial newspaper or publication. For the purposes of the preceding sentence, a "trading day" means a day on which trading generally takes place on Nasdaq and on which trading in Parent Common Shares has occurred.

4.7 No dividends or other distributions declared or made after the Class F Redemption Time with respect to Parent Common Shares with a record date after the Class F Redemption Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Class F Redemption Date represented Class F Shares that were redeemed or purchased pursuant to these Class F Share provisions, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 4.6 hereof, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Sections 4.2 or 4.5 hereof, as the case may be. Subject to applicable law, at the time of such surrender of any such certificate there shall be paid to the record holder of the certificates representing whole Parent Common Shares without interest (i) the amount of any cash payable in lieu of a fractional Parent Common Share to which such holder is entitled pursuant to Section 4.6 hereof, (ii) the amount of dividends or other distributions with a record date after the Class F Redemption Time theretofore paid with respect to such whole Parent Common Share and (iii) the amount of dividends or other distributions with a record date after the Class F Redemption Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole Parent Common Share.

4.8 In the event of a transfer of ownership of Discreet Common Shares which is not registered in the transfer records of Discreet prior to the Effective Date, a certificate representing the proper number of Parent Common Shares may be issued to a transferee if

the certificate representing such Discreet Common Shares is presented to the Transfer Agent, accompanied by all documents required to evidence and effect such transfer.

4.9 In the event any certificate which immediately prior to the Effective Date represented outstanding Discreet Common Shares that were converted to Class B Shares on the Amalgamation and subsequently converted into Class F Shares at the Class B Conversion Time shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Parent Common Shares (and any dividends or distributions with respect thereto and any cash pursuant to Section 4.6 hereof) deliverable in respect thereof as determined in accordance with Sections 4.2 or 4.5 hereof. When authorizing such issuance and/or payment in exchange for any lost, stolen or destroyed certificate, the person to whom certificates representing Parent Common Shares are to be issued shall, at the discretion of the Company or Dutchco, as the case may be, as a condition precedent to the issuance thereof, give a bond satisfactory to the Company or Dutchco, as the case may be, in such sum as the Company or Dutchco may direct or otherwise indemnify the Company or Dutchco in a manner satisfactory to the Company or the Dutchco, as the case may be, against any claim that may be made against the Company or Dutchco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.10 The Company and Dutchco shall be entitled to deduct and withhold from the Class F Redemption Price or the Class F Redemption Call Price, as the case may be, payable pursuant to these Class F Share Provisions to any holder of Class F Shares such amounts as Parent, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent any amount is required to be deducted or withheld from any payment to a holder, the Company, the Affiliate or Dutchco, as the case may be, are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to the Company, the Affiliate or Dutchco, as the case may be, in order to enable it to comply with such deduction or withholding requirement

and the Company, the Affiliate or Dutchco, as the case may be shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

4.11 The Company shall not be entitled to redeem, nor shall Dutchco or the Affiliate, as the case may be, be entitled to purchase, any Class F Shares pursuant to this Section 4 unless at the same time the Company redeems or Dutchco or the Affiliate, as the case may be, purchases at the same time and in the same manner all issued and outstanding Class E Shares.

5. Issued and Paid-Up Capital Account

5.1 Where Class E Shares and Class F Shares are issued on a conversion of Class B Shares, the amount to be added to the issued and paid-up capital account of the Class F Shares for purposes of the Quebec Act and the paid-up capital account of the Class F Shares for purposes of the Income Tax Act (Canada) shall be $1.

6. Amendment and Approval

6.1 The rights, privileges, restrictions and conditions attaching to the Class F Shares may be added to, changed or removed but only with the approval of the holders of the Class F Shares given as hereinafter specified, and any other approval required by law.

6.2 Any approval given by the holders of the Class F Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class F Shares or any other matter requiring the approval or consent of the holders of the Class F Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by written resolution signed by all holders of Class F Shares or by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Class F Shares duly called and held at which the holders of at least 50% of the outstanding Class F Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Class F Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Class F Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and

a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Class F Shares.

PROVISIONS ATTACHING TO EXCHANGEABLE SHARES

The exchangeable non-voting shares in the share capital of the Company shall have the following rights, privileges, restrictions and conditions:

1. Interpretation

1.1 For the purposes of these Exchangeable Share Provisions:

"Affiliate" of any person means any other person directly or indirectly controlled by, or under common control of, that person. For the purposes of this definition, "control"(including, with correlative meanings, the terms "controlled by"and "under common control of"), as applied to any person, means the possession by another person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned person, whether through the ownership of voting securities, by contract or otherwise; provided, however, that any former directors, executive officers or principal shareholders of Discreet who may be deemed to be an affiliate of Parent after the Effective Date, shall not be considered an "Affiliate" for purposes of these share provisions.

"Amalgamation" means the amalgamation of Discreet Logic Inc., 9066-9854 Quebec Inc., and 9066-9771 Quebec Inc. under the Quebec Act.

"Automatic Redemption" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Automatic Redemption Date" means the date for the automatic redemption by the Company of Exchangeable Shares pursuant to Article 7 of these share provisions, which date shall be eleven years from the Effective Date (as defined in the Amalgamation Agreement) unless (a) such date shall be extended at any time or from time to time to a specified later date by the Board of Directors provided at least 60 days' prior written notice of any such extension is given to the registered holders of the Exchangeable Shares or (b) such date shall be accelerated at any

time to a specified earlier date by the Board of Directors if at such time there are less than 250,000 Exchangeable Shares outstanding (other than Exchangeable Shares held by Parent and its Affiliates and as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), provided at least 60 days' prior written notice of any such extension or acceleration, as the case may be, is given to the registered holders of the Exchangeable Shares, in which case the Automatic Redemption Date shall be such later or earlier date; provided, however, that the accidental failure or omission to give any such notice of extension or acceleration, as the case may be, to less than 5% of such holders of Exchangeable Shares shall not affect the validity of such extension or acceleration.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, a Sunday or a day when banks are not open for business in either or both of San Francisco, California and Montreal, Quebec.

"Canadian Dollar Equivalent" means in respect of an amount expressed in a foreign currency (the "Foreign Currency Amount") at any date the product obtained by multiplying (a) the Foreign Currency Amount by (b) the noon spot exchange rate on such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such exchange rate on such date for such foreign currency expressed in Canadian dollars as may be deemed by the Board of Directors to be appropriate for such purpose.

"Certificate of Amalgamation" means the certificate of amalgamation to be issued to the Company by the Inspector General of Financial Institutions under the Quebec Act in respect of the Amalgamation.

"Class A Shares" mean the Class A voting common shares in the share capital of the Company.

"Class B Shares" means the Class B non-voting common shares in the share capital of the Company.

"Class C Shares" means the Class C non-voting preferred shares in the share capital of the Company.

"Class D Shares" means the Class D non-voting preferred shares in the share capital of the Company.

"Class E Shares" means the Class E voting common shares in the share capital of the Company.

"Class F Shares" means the Class F non-voting common shares in the share capital of the Company.

"Company" means the company resulting from the Amalgamation.

"Current Market Price" means, in respect of a Parent Common Share on any date, the Canadian Dollar Equivalent of the average of the closing prices of Parent Common Shares on Nasdaq on each of the thirty (30) consecutive trading days ending not more than five trading days before such date, or, if the Parent Common Shares are not then quoted on Nasdaq, on such other stock exchange or automated quotation system on which the Parent Common Shares are listed or quoted, as the case may be, as may be selected by the Board of Directors for such purpose; provided, however, that if there is no public distribution or trading activity of Parent Common Shares during such period, then the Current Market Price of a Parent Common Share shall be determined by the Board of Directors based upon the advice of such qualified independent financial advisors as the Board of Directors may deem to be appropriate, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding.

"Dutchco" means Autodesk Development B.V., a corporation subsisting under the laws of The Netherlands or such other Affiliate of Autodesk to which Dutchco has assigned its rights under the Voting and Exchange Trust Agreement.

"Effective Date" means the date of the Amalgamation as set forth in the Certificate of Amalgamation.

"Exchange Act" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Exchangeable Shares" mean the exchangeable non-voting shares of the Company having the rights, privileges, restrictions and conditions set forth herein.

"Liquidation Amount" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"Liquidation Call Purchase Price" has the meaning ascribed thereto in Section 5.4 of these share provisions.

"Liquidation Call Right" has the meaning ascribed thereto in Section 5.4 of these share provisions.

"Liquidation Date" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"Nasdaq" means the Nasdaq National Market.

"Parent" means Autodesk, Inc., a body corporate existing under the laws of the State of Delaware.

"Parent (Dutchco) Call Notice" has the meaning ascribed thereto in Section 6.3 of these share provisions.

"Parent Common Shares" mean the common shares in the share capital of Parent.

"Parent Dividend Declaration Date" means the date on which the Board of Directors of Parent declares any dividend on the Parent Common Shares.

"Parent Special Share" means the one share of Series B Preferred Stock of Parent with a par value of U.S.$0.01 and having voting rights at meetings of holders of Parent Common Shares equal to that number of votes equal to the number of votes that the Exchangeable Shares outstanding from time to time (other than Exchangeable Shares held by Parent and its Affiliates) would be entitled to if exchanged for Parent Common Shares, to be issued to and voted by the Trustee pursuant to the Voting and Exchange Trust Agreement.

"Purchase Price" has the meaning ascribed thereto in Section 6.3 of these share provisions.

"Quebec Act" means the Companies Act (Quebec), as amended.

"Record Holders" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Redemption Call Right" has the meaning ascribed thereto in Section 7.3 of these share provisions.

"Redemption Call Purchase Price" has the meaning ascribed thereto in Section 7.3 of these share provisions.

"Redemption Price" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"Retracted Shares" has the meaning ascribed thereto in Section 6.1(a) of these share provisions.

"Retraction Call Right" has the meaning ascribed thereto in Section 6.1(c) of these share provisions.

"Retraction Date" has the meaning ascribed thereto in Section 6.1(b) of these share provisions.

"Retraction Price" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"Retraction Request" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"Section 12(g) Redemption" has the meaning ascribed thereto in Section 7.1.

"Support Agreement" means the Support Agreement between Parent, Dutchco and the Company, made as of March 16, 1999.

"Transfer Agent" means Harris Trust and Savings Bank or such other person as may from time to time be the registrar and transfer agent for the Exchangeable Shares.

"Trustee" means Montreal Trust Company of Canada, a trust company existing under the laws of Canada and any successor trustee appointed under the Voting and Exchange Trust Agreement.

"Voting and Exchange Trust Agreement" means the Voting and Exchange Trust Agreement between Parent, Dutchco, the Company and the Trustee, made as of March 16, 1999.

2. Ranking of Exchangeable Shares

2.1 The Exchangeable Shares shall be entitled to a preference over the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares and the Class F Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

3. Dividends

3.1 A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Parent Dividend Declaration Date, declare a dividend on each Exchangeable Share (a) in the case of a cash dividend declared on the Parent Common Shares, in an amount in cash for each Exchangeable Share equal to the Canadian Dollar Equivalent on the Parent Dividend Declaration Date of the cash dividend declared on each Parent Common Share or (b) in the case of a stock dividend declared on the Parent Common Shares to be paid in Parent Common Shares, in such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Parent Common Shares to be paid on each Parent Common Share or (c) in the case of a dividend declared on the Parent Common Shares in property other than cash or Parent Common Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the Board of Directors as contemplated by Section 2.7 of the Support Agreement) the type and amount of property declared as a dividend on each Parent Common Share. Such dividends shall be paid out of

money, assets or property of the Company properly applicable to the payment of dividends, or out of authorized but unissued shares of the Company. Any dividend which should have been declared on the Exchangeable Shares pursuant to this Section 3.1 but was not so declared due to the provisions of applicable law shall be declared and paid by the Company as soon as payment of such dividend is permitted by such law on a subsequent date or dates determined by the Board of Directors.

3.2 Cheques of the Company or any dividend paying agent appointed by the Company payable at par at any branch of the bankers of the Company shall be issued in respect of any cash dividends contemplated by Section 3.1(a) hereof and the sending of such a cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Certificates registered in the name of the registered holder of Exchangeable Shares shall be issued or transferred in respect of any stock dividends contemplated by Section 3.1(b) hereof and the sending of such a certificate to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by Section 3.1(c) hereof shall be issued, distributed or transferred by the Company in such manner as it shall determine and the issuance, distribution or transfer thereof by the Company to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Company any dividend that is represented by a cheque that has not been duly presented to the Company's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.

3.3 The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Exchangeable Shares under Section 3.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Parent Common Shares.

3.4 If on any payment date for any dividends declared on the Exchangeable Shares under Section 3.1 hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Company shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.

4. Certain Restrictions

4.1 So long as any of the Exchangeable Shares are outstanding, the Company shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in Section 10.2 of these share provisions:

(a) pay any dividends on the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem, retract or purchase or make any capital distribution in respect of Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares and Class F Shares or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of the Company ranking equally with or junior to the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution; or

(d) issue any Exchangeable Shares or any other shares of the Company ranking equally with respect to the payment of dividends or on any liquidation distribution, or superior to, the Exchangeable Shares other than by way of stock dividends to the holders of such Exchangeable Shares or as contemplated by the Support Agreement.

The restrictions in Sections 4.1(a), 4.1(b) and 4.1(c) above shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared following the initial date of issue of Exchangeable Shares on the Parent Common Shares shall have been declared on the Exchangeable Shares and paid in full.

5. Distribution on Liquidation

5.1 In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of

winding-up its affairs, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the assets of the Company in respect of each Exchangeable Share held by such holder on the effective date (the "Liquidation Date") of such liquidation, dissolution or winding-up, before any distribution of any part of the assets of the Company among the holders of the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by the Company causing to be delivered to such holder one Parent Common Share, plus (b) an additional amount equivalent to the full amount of all declared and unpaid dividends on each such Exchangeable Share and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Liquidation Amount", provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Amount shall not include such additional amount equivalent to such dividends).

5.2 On or promptly after the Liquidation Date, and subject to the exercise by Dutchco of the Liquidation Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares the Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Company) for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may be specified by the Company by notice to the holders of the Exchangeable Shares. Payment of the total Liquidation Amount for such Exchangeable Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Company for the Exchangeable Shares or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares, on behalf of the Company of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Company payable at par at any branch of the bankers of the Company in respect of the amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions, comprising

part of the total Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Company). On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount has been paid in the manner hereinbefore provided. The Company shall have the right at any time after the Liquidation Date to deposit or cause to be deposited the total Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof in a custodial account with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of Exchangeable Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (less any tax required to be deducted and withheld therefrom) for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Liquidation Amount, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be the holders of the Parent Common Shares delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and the Company shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

5.3 After the Company has satisfied its obligations to pay the holders of the Exchangeable Shares, the Liquidation Amount per Exchangeable Share pursuant to Section 5.1 of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Company.

5.4 Dutchco shall have the overriding right (the "Liquidation Call Right"), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of the Company pursuant to Article 5 of these share provisions, to purchase from all but not less than all of the holders of Exchangeable Shares on the Liquidation Date all but not less than all of the

Exchangeable Shares held by each such holder on payment by Dutchco of an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by causing to be delivered to such holder one Parent Common Share, plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid on such Exchangeable Share and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Liquidation Call Purchase Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Call Purchase Price shall not include such additional amount equivalent to such dividends). In the event of the exercise of the Liquidation Call Right by Dutchco, each holder shall be obligated to sell all the Exchangeable Shares held by the holder to Dutchco on the Liquidation Date on payment by Dutchco to the holder of the Liquidation Call Purchase Price for each such share.

5.5 To exercise the Liquidation Call Right, Dutchco must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and the Company of Dutchco's intention to exercise such right at least sixty days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of the Company and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of the Company. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Dutchco has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Dutchco. If Dutchco exercises the Liquidation Call Right, on the Liquidation Date, Dutchco will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

5.6 For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Liquidation Date, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Liquidation Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Liquidation Call Purchase Price. Provided that the total Liquidation Call Purchase Price has been so deposited with the Transfer Agent, on and after the Liquidation Date the rights of each holder of Exchangeable Shares will be limited to receiving such holder's proportionate part of the total Liquidation Call Purchase Price payable by Dutchco upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such

holder and the holder shall on and after the Liquidation Date be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to it. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Company in Canada in payment of the remaining portion, if any, of the total Liquidation Call Purchase Price. If Dutchco does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the liquidation price otherwise payable by the Company in connection with the liquidation, dissolution or winding-up of the Company pursuant to this Article 5.

6. Retraction of Exchangeable Shares by Holder

6.1 A holder of Exchangeable Shares shall be entitled at any time, subject to applicable law and the exercise by Dutchco of the Retraction Call Right (as defined in Subsection (c) below) and otherwise upon compliance with the provisions of this Article 6, to require the Company to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Retraction Date, which shall be satisfied in full by the Company causing to be delivered to such holder one Parent Common Share for each Exchangeable Share presented and surrendered by the holder, plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid thereon and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Retraction Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Retraction Date the Retraction Price shall not include such additional amount equivalent to such dividends). To effect such redemption, the holder shall present and surrender at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares the certificate or certificates representing the Exchangeable Shares which the holder desires to have the Company redeem, together with such other

documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, and together with a duly executed statement (the "Retraction Request") in such form as may be acceptable to the Company:

(a) specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "Retracted Shares") redeemed by the Company;

(b) stating the Business Day on which the holder desires to have the Company redeem the Retracted Shares (the "Retraction Date"), provided that the Retraction Date shall be not less than three Business Days nor more than ten Business Days after the date on which the Retraction Request is received by the Company and further provided that, in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the tenth Business Day after the date on which the Retraction Request is received by the Company; and

(c) acknowledging the overriding right (the "Retraction Call Right") of Dutchco to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request shall be deemed to be a revocable offer by the holder to sell the Retracted Shares to Dutchco in accordance with the Retraction Call Right on the terms and conditions set out in Section 6.3 below.

In the event that, on or prior to the Automatic Redemption Date, any holder of Exchangeable Shares notifies the Company, either directly or through the Transfer Agent, that such holder desires to transfer or otherwise attempts to transfer any such shares to any other person or entity (any such notification or attempt, a "Transfer Attempt"), then such holder shall, by such action, be deemed to have made a Retraction Request on the following terms and conditions:

(a) the Exchangeable Shares which are the subject of such Transfer Attempt (the "Transferred Shares") shall be considered to be the Retracted Shares for the purposes of such deemed Retraction Notice;

(b) the Retraction Date shall be three Business Days after the date of receipt by the Company or the Transfer Agent of notice of the Transfer Attempt (or such lesser period as the Company may permit);

(c) the holder shall be deemed to have acknowledged the overriding Redemption Call Right and the Retraction Call Right.

In accordance with the deemed Retraction Request, no certificates shall be issued by the Company representing the Transferred Shares in the name of the transferee, and the sole right of the transferee in respect of the Transferred Shares shall be to receive the Parent Common Shares to which such person is entitled as a result of the Retraction Notice.

6.2 Subject to the exercise by Dutchco of the Retraction Call Right, upon receipt by the Company or the Transfer Agent in the manner specified in Section 6.1 hereof of a certificate or certificates representing the number of Exchangeable Shares which the holder desires to have the Company redeem, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7 hereof, the Company shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares. If only a part of the Exchangeable Shares represented by any certificate are redeemed (or purchased by Dutchco pursuant to the Retraction Call Right), a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Company.

6.3 Upon receipt by the Company of a Retraction Request, the Company shall immediately notify Dutchco and Parent thereof. In order to exercise the Retraction Call Right, Parent or Dutchco must notify the Company in writing of Dutchco's determination to do so (the "Parent (Dutchco) Call Notice") within two Business Days of notification to Parent and Dutchco by the Company of the receipt by the Company of the Retraction Request. If the Parent or Dutchco does not so notify the Company within such two Business Day period, the Company will notify the holder as soon as possible thereafter that Dutchco will not exercise the Retraction Call Right. If Parent or Dutchco delivers the Parent (Dutchco) Call Notice within such two Business Day time period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7, the Retraction Request shall thereupon be considered only to be an offer by the holder to sell the Retracted Shares to Dutchco in accordance with the Retraction Call Right. In such event, the Company shall not redeem the Retracted Shares and Dutchco shall purchase

from such holder and such holder shall sell to Dutchco on the Retraction Date, the Retracted Shares for a purchase price (the "Purchase Price") per share equal to the Retraction Price per share. For the purposes of completing a purchase pursuant to the Retraction Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Retraction Date, certificates representing Parent Common Shares and a cheque in the amount of the remaining portion, if any, of the total Purchase Price. Provided that the total Purchase Price has been so deposited with the Transfer Agent, the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Company of such Retracted Shares shall take place on the Retraction Date. In the event that neither Parent nor Dutchco delivers a Parent (Dutchco) Call Notice within such two Business Day period, and provided that Retraction Request is not revoked by the holder in the manner specified in Section 6.7, the Company shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in this Article 6.

6.4 The Company or Dutchco, as the case may be, shall deliver or cause the Transfer Agent to deliver to the relevant holder, at the address of the holder recorded in the securities register of the Company for the Exchangeable Shares or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares, certificates representing the Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) registered in the name of the holder or in such other name as the holder may request in payment of the total Retraction Price or the total Purchase Price, as the case may be, and a cheque of the Company payable at par at any branch of the bankers of the Company in payment of the remaining portion, if any, of the total Retraction Price (less any tax required to be deducted and withheld therefrom by the Company) or a cheque of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Company in Canada in payment of the remaining portion, if any, of the total Purchase Price, as the case may be, and such delivery of such certificates and cheque on behalf of the Company or by Dutchco, as the case may be, or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price or total Purchase Price, as the case may be, to the extent that the same is represented by such share certificates and cheque (less any tax required and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due

presentation. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company or Dutchco, as the case may be, is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

6.5 On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Retraction Price or total Purchase Price, as the case may be, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price or the total Purchase Price, as the case may be, shall not be made, in which case the rights of such holder shall remain unaffected until the total Retraction Price or the total Purchase Price, as the case may be, has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of the total Retraction Price or the total Purchase Price, as the case may be, has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Company or purchased by Dutchco shall thereafter be considered and deemed for all purposes to be a holder of the Parent Common Shares delivered to it.

6.6 Notwithstanding any other provision of this Article 6, the Company shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Company believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that Dutchco shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Company shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Company. In any case in which the redemption by the Company of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Company shall redeem Retracted

Shares in accordance with Section 6.2 of these share provisions on a pro rata basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Company, representing the Retracted Shares not redeemed by the Company pursuant to Section 6.2 hereof. Provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.7 hereof, the holder of any such Retracted Shares not redeemed by the Company pursuant to Section 6.2 of these share provisions as a result of solvency requirements of applicable law shall be deemed by giving the Retraction Request to require Dutchco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Dutchco to such holder of the Purchase Price for each such Retracted Share, all as more specifically provided in the Voting and Exchange Trust Agreement.

6.7 A holder of Retracted Shares may, by notice in writing given by the holder to the Company before the close of business on the Business Day immediately preceding the Retraction Date, withdraw its Retraction Request in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Dutchco shall be deemed to have been revoked.

7. Redemption of Exchangeable Shares by the Company

7.1 Subject to applicable law, and subject to the exercise by Dutchco of the Redemption Call Right, (a) the Company shall on the Automatic Redemption Date redeem (the "Automatic Redemption") the whole of the then outstanding Exchangeable Shares for an amount per share equal to (i) the Current Market Price of a Parent Common Share on the last Business Day prior to the Automatic Redemption Date, which shall be satisfied in full by the Company causing to be delivered to each holder of Exchangeable Shares one Parent Common Share for each Exchangeable Share held by such holder, plus (ii) an additional amount equivalent to the full amount of all declared and unpaid dividends thereon and all dividends declared on Parent Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "Redemption Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Redemption Date, the Redemption Price shall not include such additional amount equivalent to such dividends), and (b) the Company may, at any time when the Company reasonably determines that Exchangeable Shares are "held of record" (as such term is defined in Rule 12g5-1 promulgated under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act")) by 500 or more

persons ("Record Holders"), redeem (a "Section 12(g) Redemption") that portion of the then outstanding Exchangeable Shares held by that number of Record Holders equal to the difference of (A) the total number of Record Holders and (B) 499, or such smaller number that the Company reasonably determines is necessary to take the position that it need not register the Exchangeable Shares pursuant to Section 12(g) of the Exchange Act, the identity of such Record Holders to be determined by the Company by lot or other fair method of random determination, for an amount per share equal to the Redemption Price.

7.2 In any case of a redemption of Exchangeable Shares under this Article 7, the Company shall, at least 120 days before the Automatic Redemption Date (in the case of the Automatic Redemption), or at least 30 days before the date of a Section 12(g) Redemption (a "Section 12(g) Redemption Date"; the Automatic Redemption Date or a Section 12(g) Redemption Date, as applicable, being referred to in this Section 7.2 as a "Redemption Date"), send or cause to be sent to each holder of Exchangeable Shares to be redeemed a notice in writing of the redemption by the Company or the purchase by Dutchco under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. Such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right. On or after the Redemption Date and subject to the exercise by Dutchco of the Redemption Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares to be redeemed the Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for each such Exchangeable Share upon presentation and surrender at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require. Payment of the total Redemption Price for such Exchangeable Shares shall be made by delivery to each holder, at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at the head office of the Company or at any office of the Transfer Agent as may be specified by the Company in such notice, on behalf of the Company of certificates representing Parent Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Company payable at par at any branch of the bankers of the Company in respect of the additional amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Parent

Common Shares which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions comprising part of the total Redemption Price (less any tax required to be deducted and withheld therefrom by the Company). On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of the total Redemption Price for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Redemption Price has been paid in the manner hereinbefore provided. The Company shall have the right at any time after the sending of notice of its intention to redeem Exchangeable Shares as aforesaid to deposit or cause to be deposited the total Redemption Price of the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust Discreet in Canada named in such notice. Upon the later of such deposit being made and the Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Redemption Date, as the case may be, shall be limited to receiving their proportionate part of the total Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Redemption Price, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the Parent Common Shares delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

7.3 Dutchco shall have the overriding right (the "Redemption Call Right"), notwithstanding the proposed redemption of Exchangeable Shares by the Company pursuant to this Article 7 of these share provisions, to purchase from all but not less than

all of the holders of Exchangeable Shares to be redeemed on the Redemption Date, all but not less than all of the Exchangeable Shares held by each such holder on payment by Dutchco to the holder of an amount per share equal to (a) the Current Market Price of a Parent Common Share on the last Business Day prior to the Redemption Date which shall be satisfied in full by causing to be delivered to such holder one Parent Common Share plus (b) an additional amount equivalent to the full amount of all dividends declared and unpaid on such Exchangeable Share and all dividends declared on Parent Common Shares that have not been declared on such Exchangeable Share in accordance with Section 3.1 of these share provisions (collectively the "Redemption Call Purchase Price", provided that if the record date for any such declared and unpaid dividends occurs on or after the Redemption Date, the Redemption Call Purchase Price shall not include such additional amount equivalent to such dividends). In the event of the exercise of the Redemption Call Right by Dutchco, each holder shall be obligated to sell all the Exchangeable Shares held by the holder and otherwise to be redeemed to Dutchco on the Redemption Date on payment by Dutchco to the holder of the Redemption Call Purchase Price for each such share.

7.4 To exercise the Redemption Call Right, Dutchco must notify the Transfer Agent, as agent for the holders of Exchangeable Shares, and the Company of Dutchco's intention to exercise such right at least 125 days before the Automatic Redemption Date (in the case of the Automatic Redemption) or at least 35 days before the Section 12(g) Redemption Date (in the case of Section 12(g) Redemption). The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Dutchco has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by Dutchco. If Dutchco exercises the Redemption Call Right, on the Redemption Date, Dutchco will purchase and the holders will sell all of the Exchangeable Shares to be redeemed for a price per share equal to the Redemption Call Purchase Price.

7.5 For the purposes of completing the purchase of Exchangeable Shares pursuant to the Redemption Call Right, Dutchco shall deposit with the Transfer Agent, on or before the Redemption Date, certificates representing the aggregate number of Parent Common Shares deliverable by Dutchco in payment of the total Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Redemption Call Purchase Price. Provided that the total Redemption Call Purchase Price has been so deposited with the Transfer Agent, on and after the Redemption Date the rights of each holder of Exchangeable Shares so purchased will be limited to receiving such holder's proportionate part of the total Redemption Call Purchase Price payable by Dutchco

upon presentation and surrender by the holder of certificates representing the Exchangeable Shares purchased by Dutchco from such holder and the holder shall on and after the Redemption Date be considered and deemed for all purposes to be the holder of the Parent Common Shares delivered to such holder. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Quebec Act and the by-laws of the Company and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Dutchco shall deliver to such holder, certificates representing the Parent Common Shares to which the holder is entitled and a cheque or cheques of Dutchco payable at par and in Canadian dollars at any branch of the bankers of Dutchco or of the Company in Canada in payment of the remaining portion, if any, of the total Redemption Call Purchase Price. If Dutchco does not exercise the Redemption Call Right in the manner described above, on the Redemption Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by the Company in connection with the redemption of Exchangeable Shares pursuant to this Article 7.

8. Purchase for Cancellation

8.1 Subject to applicable law and the articles of the Company, the Company may at any time and from time to time purchase for cancellation all or any part of the outstanding Exchangeable Shares at any price by tender to all the holders of record of Exchangeable Shares then outstanding or through the facilities of any stock exchange on which the Exchangeable Shares are listed or quoted at any price per share together with an amount equal to all declared and unpaid dividends thereon. If in response to an invitation for tenders under the provisions of this Section 8.1, more Exchangeable Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, the Exchangeable Shares to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices. If only part of the Exchangeable Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Company.

9. Voting Rights

9.1 Except as required by applicable law, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting.

9.2 Pursuant to the Voting and Exchange Trust Agreement (which by this reference is incorporated into the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares as if set forth herein in its entirety) the holders of Exchangeable Shares (other than Parent, its subsidiaries and Affiliates) shall be entitled to receive notice of and instruct the Trustee under the Voting and Exchange Trust Agreement to exercise voting rights at meetings of holders of Parent Common Shares, all as provided for in the Voting and Exchange Trust Agreement.

10. Amendment and Approval

10.1 The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed but only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

10.2 Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 50% of the outstanding Exchangeable Shares at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such

resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares.

10.3 Exchangeable Shares held by Parent, Dutchco or their Affiliates shall not be included for the purposes of determining a quorum, and shall not vote, in connection with any approval contemplated by Section 10.2 of these share provisions.

11. Reciprocal Changes, etc. in Respect of Parent Common Shares

11.1 (a) Pursuant to the Support Agreement, Parent will not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions:

(i) issue or distribute Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) to the holders of all or substantially all of the then outstanding Parent Common Shares by way of stock dividend or other distribution, other than an issue of Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) to holders of Parent Common Shares who exercise an option to receive dividends in Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares) in lieu of receiving cash dividends; or

(ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Parent Common Shares entitling them to subscribe for or to purchase Parent Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Common Shares); or

(iii) issue or distribute to the holders of all or substantially all of the then outstanding Parent Common Shares (A) shares or securities of Parent of any Class other than Parent Common Shares (other than shares convertible into or exchangeable for or carrying rights to acquire Parent Common Shares), (B) rights, options or warrants other than those referred to in Section 11.1(a)(ii) above, (C) evidences of indebtedness of Parent or (D) assets of Parent;

unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares.

(b) Pursuant to the Support Agreement, Parent will not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions:

(i) subdivide, redivide or change the then outstanding Parent Common Shares into a greater number of Parent Common Shares; or

(ii) reduce, combine or consolidate or change the then outstanding Parent Common Shares into a lesser number of Parent Common Shares; or

(iii) reclassify or otherwise change the Parent Common Shares or effect an amalgamation, merger, reorganization or other transaction affecting the Parent Common Shares;

unless the same or an economically equivalent change shall simultaneously be made to, or in the rights of the holders of, the Exchangeable Shares.

Except for ministerial amendments contemplated by Section 3.5 of the Support Agreement, the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions.

11.2 Pursuant to the Voting and Exchange Trust Agreement, the holders of Exchangeable Shares (other than the Parent, its subsidiaries and Affiliates) are given certain rights to exchange their Exchangeable Shares for Parent Common Shares.

12. Actions by the Company under Support Agreement and under Voting and Exchange Trust Agreement

12.1 The Company will take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to ensure performance and compliance by Parent and Dutchco with all provisions of the Support Agreement and the Voting and Exchange Trust Agreement applicable to the Company, Dutchco and Parent, respectively, in accordance with the respective terms thereof including, without limitation, taking all

such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Company and the holders of Exchangeable Shares all rights and benefits in favor of the Company and such holders under or pursuant to such agreements.

12.2 The Company shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement and the Voting and Exchange Trust Agreement (except as contemplated therein) without the approval of the holders or the Exchangeable Shares given in accordance with Section 10.2 of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

(a) adding to the covenants of the other party or parties to such agreement for the protection of the Company or the holders of Exchangeable Shares thereunder; or

(b) making such provisions or modifications not inconsistent with the spirit and intent of such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the opinion, after consultation with counsel, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes in or corrections to such agreement which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the opinion, after consultation with counsel, that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

13. Legend

13.1 The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement, the deemed delivery of a Retraction Request as contemplated in

Section 6.1 of these share provisions, the provisions relating to the Liquidation Call Right and the Redemption Call Right, and the Voting and Exchange Trust Agreement (including the provisions with respect to the voting rights, exchange right and automatic exchange thereunder).

14. Notices

14.1 Any notice, request or other communication to be given to the Company by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by telecopy or by delivery to the head office of the Company and addressed to the attention of the President. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Company.

14.2 Any presentation and surrender by a holder of Exchangeable Shares to the Company or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding-up of the Company or the retraction or redemption of Exchangeable Shares shall be made by registered mail (postage prepaid) or by delivery to the head office of the Company or to such office of the Transfer Agent as may be specified by the Company, in each case addressed to the attention of the President of the Company. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Company or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail shall be at the sole risk of the holder mailing the same.

14.3 Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Company shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address of the holder recorded in the securities register of the Company or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the third Business Day following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Company pursuant thereto.

15. Parent Guaranty/Assignment

15.1 Parent hereby unconditionally and irrevocably guarantees the full and punctual performance of all of Dutchco's obligations hereunder. Dutchco may assign all or a portion of its rights and obligations hereunder to Parent without the consent of the Company or holders of Exchangeable Shares provided Parent remains bound by these provisions.

16. Withholding Rights

16.1 The Company, Parent, Dutchco and Transfer Agent shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Exchangeable Shares such amounts as Parent, Dutchco or the Transfer Agent determine is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada) or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, the Company, Dutchco and Transfer Agent are hereby authorized to sell or otherwise dispose of at fair market value such portion of such consideration as is necessary to provide sufficient funds to Parent, Dutchco or Transfer Agent, as the case may be, in order to enable it to comply with such deduction or withholding requirement and Parent, Dutchco or Transfer Agent shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

17. Par Value

17.1 The Exchangeable Shares shall have a par value of $15.08 per share.

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SCHEDULE B
Form 6
ARTICLES OF AMALGAMATION
The Companies Act, R.S.Q., c. C-38
Part 1A

8 Other Provisions

Upon the Amalgamation:

(a) each holder of a common share of 9066-9771 QUEBEC INC. outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class A voting common share of the Company for each common share of 9066-9771 QUEBEC INC. held and the name of each holder thereof shall be added to the register of holders of Class A voting common shares of the Company accordingly and each certificate representing such common share of 9066-9771 QUEBEC INC. shall continue to evidence ownership of Class A voting common shares of the Company;

(b) each holder of a common share of 9066-9854 QUEBEC INC. outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class C non-voting preferred share of the Company for each common share of 9066-9854 QUEBEC INC. held and the name of each holder thereof shall be added to the register of holders of Class C non-voting preferred shares of the Company accordingly and each certificate representing such common share of 9066-9854 QUEBEC INC. shall continue to evidence ownership of Class C non-voting preferred shares of the Company; and

(c) each holder of a common share of DISCREET LOGIC INC. - LOGIQUE DISCRETE INC. outstanding immediately prior to the Amalgamation will receive one fully paid and non-assessable Class B non-voting common share of the Company for each common share of DISCREET LOGIC INC. - LOGIQUE DISCRETE INC. held and the name of each holder thereof shall be added to the register of holders of Class B non-voting common shares of the Company accordingly and each certificate representing such common share of DISCREET LOGIC INC. - LOGIQUE DISCRETE INC. shall continue to evidence ownership of Class B non-voting common shares of the Company.

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Form 2
NOTICE OF ADDRESS
OF HEAD OFFICE
The Companies Act, R.S.Q., c. C-38
Part 1A

[CAPTION]

1. Corporate name
DISCREET LOGIC INC./

LOGIQUE DISCRETE INC.

2. Notice is hereby given at the address of the head office of the company, within the limits of the judicial district indicated in the articles, is as follows:

10	Duke Street
No	Street name

Montreal		
Municipality		

Quebec		H3C 2L7
Province		Postal code

The company

/s/ Eric B. Herr	Post occupied by signatory	Director
(signature)		

For departmental use only

CA-212 (Rev. 12-93)

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Form 4
NOTICE CONCERNING COMPOSITION
OF THE BOARD OF DIRECTORS
The Companies Act, R.S.Q., c. C-38
Part 1A

[CAPTION]

1. Corporate name

DISCREET LOGIC INC./
LOGIQUE DISCRETE INC.

2. The directors of the company are:

Name and surname	Full residential address (including postal code)
HERR, ERIC B.	228 Massol Avenue Los Gatos California U.S.A. 95030
CAKEBREAD, STEVE	1075 Greenfield St. Helena California U.S.A. 94574
STERLING, MARCIA K.	4180 Oak Hill Avenue Palo Alto California U.S.A. 94306

If space is insufficient, attach an appendix in two (2) copies.

The Company

/s/ Eric B. Herr	Post occupied by signatory	Director
(signature)		

For departmental use only

CA-214 (Rev. 05-95)

Exhibit 99.1

Autodesk Completes Acquisition of Discreet Logic Inc.

San Rafael, California, March 16, 1999--Autodesk, Inc., (Nasdaq: ADSK) announced that the Company's acquisition of Discreet Logic Inc. (Nasdaq: DSLGF) is complete effective today. As a result of the acquisition, Autodesk will issue approximately 10 million shares of Autodesk stock, based on an exchange ratio of 0.33 shares of Autodesk common stock for each outstanding share of Discreet Logic stock. The transaction will be valued at approximately $410 million based on today's closing price of Autodesk stock. The transaction will be accounted for as pooling-of-interests. As of the close of the stock market on March 16, 1999, trading in shares of Discreet Logic common stock on the Nasdaq National Market system will terminate.

About Autodesk, Inc.

Autodesk is the world's leading supplier of PC design software and digital content creation. The company's 2D and 3D products are used in many industries for architectural design, mechanical design, mapping, film and video production, video game development and Web content development. Its Discreet division develops systems and software for visual effects, editing, and broadcast graphics used in the creation of digital moving pictures. They also develop high-tech tools for design professionals. Recent Academy Award winners for Best Visual Effects are Discreet customers.

The fourth largest PC software company in the world, Autodesk has more than four million customers in over 150 countries. For more information, contact any Authorized Autodesk Reseller, call Autodesk at 800-964-6432,or visit www.autodesk.com. Autodesk shares are traded on the Nasdaq National Market under the symbol ADSK.