



## Certificate of Amalgamation

*Canada Business Corporations Act*

## Certificat de fusion

*Loi canadienne sur les sociétés par actions*

AIMIA INC.

Corporate name / Dénomination sociale

996710-9

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

JE CERTIFIE que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Virginie Ethier

Director / Directeur

2017-01-01

Date of Amalgamation (YYYY-MM-DD)  
Date de fusion (AAAA-MM-JJ)

**Canada Business Corporations Act (CBCA)  
FORM 9  
ARTICLES OF AMALGAMATION  
(Section 185)**

**1 - Corporate name of the amalgamated corporation**

AIMIA INC.

**2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)**

Quebec

**3 - The classes and any maximum number of shares that the corporation is authorized to issue**

See attached Schedule

**4 - Restrictions, if any, on share transfers**

None

**5 - Minimum and maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)**

Minimum number  Maximum number

**6 - Restrictions, if any, on the business the corporation may carry on**

None

**7 - Other provisions, if any**


The directors may appoint one (1) or more directors, who shall hold office for a term expiring no later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of shareholders.

**8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:**

<input type="radio"/> 183 - Long form : approved by special resolution of shareholders	<input checked="" type="radio"/> 184(1) - Vertical short-form : approved by resolution of directors	<input type="radio"/> 184(2) - Horizontal short-form : approved by resolution of directors
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**9 - Declaration**

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
AIMIA INC.	447698-1	
4421671 CANADA INC	442167-1	

**Note:** Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

## SCHEDULE

### The classes and any maximum number of shares that the Corporation is authorized to issue:

Unlimited number of common shares.

Unlimited number of preferred shares, issuable in series of which (1) an unlimited number of Series 1 Shares has been authorized; (2) an unlimited number of Series 2 Shares has been authorized; (3) an unlimited number of Series 3 Shares has been authorized; and (4) an unlimited number of Series 4 Shares has been authorized.

#### I. The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) **Voting.** Each common share shall entitle the holder thereof to one (1) vote at all meetings of the shareholders of the Corporation (except meetings at which only holders of another specified class of shares are entitled to vote, pursuant to the provisions of the *Canada Business Corporations Act* (hereinafter referred to as the "Act")).
- (b) **Dividends.** The holders of the common shares shall be entitled to receive, as and when declared by the directors, subject to the rights, privileges, restrictions and conditions attaching to the preferred shares and to any other class of shares ranking senior to the common shares, dividends which may be paid in money, property or by the issue of fully paid shares in the capital of the Corporation.
- (c) **Liquidation, etc.** In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, subject to the rights, privileges, restrictions and conditions attaching to the preferred shares and to any other class of shares ranking senior to the common shares, the holders of common shares shall be entitled to receive the remaining property of the Corporation. In the event of an insufficiency of property and assets to pay in full the amounts which the holders of common shares are entitled to receive upon such liquidation, dissolution or winding-up, the holders of common shares shall participate rateably among themselves in accordance with the amounts to which they are respectively entitled upon such liquidation, dissolution or winding-up.

#### II. The preferred shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) **Series.** The directors of the Corporation may, at any time and from time to time, issue the preferred shares in one (1) or more series, each series to consist of such number of shares as may, before issuance thereof, be determined by the directors. The directors of the Corporation may from time to time fix, before issuance, the designation, rights, privileges, preferences, restrictions, conditions and limitations attaching to the preferred shares of each series, the whole subject to the issuance of a certificate of amendment in respect of articles of amendment in the prescribed form to designate a series of shares.

- (b) **Voting.** The holders of preferred shares shall not be entitled to receive notice of, nor to attend or vote at meetings of the shareholders of the Corporation, other than:
- i. as provided for in the Act; and
  - ii. as have been provided for in the rights, privileges, restrictions and conditions attached to the Cumulative Rate Reset Preferred Shares, Series 1 and the Cumulative Floating Rate Preferred Shares, Series 2, or as may be provided for in the rights, privileges, restrictions and conditions attached to any series of preferred shares created by the board of directors of the Corporation, but in such cases, voting rights shall be attached to the preferred shares of such series if, and only if, the Corporation fails to pay a certain number of dividends, as set out in such rights, privileges, restrictions and conditions.

However, where a class vote is required, each holder of preferred shares shall be entitled to one (1) vote for each preferred share held and where a series vote is required, each holder of preferred shares of such series shall be entitled to one (1) vote for each preferred share of such series held.

- (c) **Dividends.** The holders of the preferred shares shall be entitled to receive, as and when declared by the directors, in preference and priority to any dividends on the common shares of the Corporation and any other shares of the Corporation ranking junior to the preferred shares, dividends which may be paid in money, property or by the issue of fully paid shares in the capital of the Corporation.
- (d) **Liquidation, etc.** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, the holders of the preferred shares shall, before any amount shall be paid to or any property or assets of the Corporation distributed among the holders of the common shares or any other shares of the Corporation ranking junior to the preferred shares, be entitled to receive an amount equal to the consideration received by the Corporation upon the issuance of such shares together with, in the case of cumulative preferred shares, all unpaid cumulative dividends (which, for such purpose, shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends have been paid, up to and including the date of distribution) and, in the case of non-cumulative preferred shares, all declared and unpaid non-cumulative dividends, but shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

**III. The first series of preferred shares shall consist of an unlimited number of preferred shares, which shares shall be designated as Cumulative Rate Reset Preferred Shares, Series 1 (the "Series 1 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:**

## ARTICLE 1 DEFINITIONS

The following definitions are relevant to the Series 1 Shares.

"*accrued and unpaid dividends*" means the aggregate of: (i) all unpaid dividends on the Series 1 Shares; and (ii) the amount calculated as though dividends on each Series 1 Share had been accruing on a day-to-day basis from and including the date on which the last dividend was payable up to and including the date to which the computation of accrued dividends is to be made.

"*Annual Fixed Dividend Rate*" means, for any Subsequent Fixed Rate Period, the annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 3.75%.

"*Bloomberg Screen GCAN5YR Page*" means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada Bond Yields).

"*business day*" means a day of the week other than a Saturday or a Sunday or on a day on which banking institutions in Montreal or Toronto, Canada are authorized or obligated to close.

"*Fixed Rate Calculation Date*" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

"*Floating Quarterly Dividend Rate*" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.75% per annum (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

"*Floating Rate Calculation Date*" means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

"*Government of Canada Bond Yield*" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Montreal time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

"*in priority to*", "*on a parity with*" and "*junior to*" have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

"*Initial Fixed Rate Period*" means the period from and including the date of the initial issuance of the Series 1 Shares to, but excluding, March 31, 2015.

"*Quarterly Commencement Date*" means the last day of March, June, September and December in each year, commencing March 31, 2015.

"*Quarterly Floating Rate Period*" means the period from and including March 31, 2015 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

"*ranking as to capital*" and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any 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.

"*ranking as to dividends*" and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

"*Subsequent Fixed Rate Period*" means the period from and including March 31, 2015 to, but excluding, March 31, 2020 and each five year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter.

"*T-Bill Rate*" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on Reuters page "BOCBILL" (or such other page as may replace the BOCBILL page on that service for purposes of displaying Government of Canada Treasury Bill yields).

"*Transfer Agent*" means CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec, its successors and assigns.

## ARTICLE 2 ISSUE PRICE

The consideration for which each Series 1 Share shall be issued is \$25.00 and, upon payment of such consideration, each such share shall be issued as fully paid and non-assessable.

## **ARTICLE 3 DIVIDENDS**

### **3.1 Dividend Payment Dates and Dividend Periods**

During the Initial Fixed Rate Period, the holders of the Series 1 Shares shall be entitled to receive fixed, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the "**Board of Directors**"), out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on the last business day of each of March, June, September and December in each year at a per annum rate of 6.50%, or \$1.625 per Series 1 Share per annum. The first such dividend, if declared, shall be paid on March 31, 2010, and, assuming an issue date of January 20, 2010, shall amount to \$0.31164 per share.

During each Subsequent Fixed Rate Period, the holders of the Series 1 Shares shall be entitled to receive fixed, cumulative, preferential cash dividends payable quarterly on the last business day of each of March, June, September and December in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00. The holders of Series 1 Shares shall not be entitled to any dividends other than, or in excess of, the cumulative preferential cash dividends herein provided for.

The Corporation shall determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 1 Shares. The Corporation shall, on the relevant Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Series 1 Shares.

Payments of dividends and other amounts in respect of the Series 1 Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, as the case may be, as registered holder of the Series 1 Shares. As long as CDS, or its nominee, is the only registered holder of the Series 1 Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series 1 Shares for the purposes of receiving payment on the Series 1 Shares.

### **3.2 Payment Procedure**

The Corporation shall pay the dividends on the Series 1 Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 1 Shares (in the manner provided for in Section 0) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to

applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

## **ARTICLE 4 VOTING RIGHTS**

### **4.1 Voting Rights**

Subject to applicable law, holders of Series 1 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of shareholders of the Corporation, unless and until the Corporation has failed to pay dividends as provided under Section 0. For greater certainty, the holders of Series 1 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting relating to a proposal to effect an exchange of the Series 1 Shares by way of an amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series 1 Shares are not removed or changed and provided that no class of shares of the Corporation ranking in priority to the Series 1 Shares is created or the Series 1 Shares are not otherwise negatively impacted.

### **4.2 Non-Payment of Dividends**

In the event that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 1 Shares at the applicable dividend rate for such shares, the holders of Series 1 Shares shall be entitled to receive notice of and to attend meetings of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of the other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each Series 1 Share. The voting rights of the holders of Series 1 Shares shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the Series 1 Shares until such time as the Corporation may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights shall become effective again under the provisions of this Section 0.

The effectiveness of this Section 0 shall be suspended until the issuance of a certificate of amendment giving effect to the voting rights described in this Section 0. Such amendment is subject to approval by the holders of common shares of the Corporation at the next meeting of the shareholders of the Corporation after the filing of the articles of amendment creating the Series 1 Shares. For greater certainty, a vote of the holders of Series 1 Shares shall not be required for the purpose of the amendment giving effect to the voting rights described in this Section 0.

### **4.3 Alternative Nomination Rights**

In the event that Section 0 has not become effective in accordance with its terms and that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 1 Shares at the applicable dividend rate for such shares, the Corporation shall take all



necessary steps to nominate for election to the Board of Directors, in the manner set out below, one independent candidate proposed by the holders of the Series 1 Shares and the holders of any other preferred shares with respect to which any right to vote as a result of the failure of the Corporation to pay dividends is then in force, acting together as a class.

Said candidate shall be nominated in order to be considered for election pursuant to the vote of all shareholders eligible to vote in accordance with the articles and by-laws of the Corporation at the next scheduled annual shareholders' meeting following the Corporation's failure to pay the dividends as set forth above. Until all such dividends are paid in full, the candidate shall be nominated in order to be considered for election at each annual shareholders' meeting of the Corporation. When such dividends are paid in full, the foregoing right shall be extinguished and the nominee, if then a member of the Board of Directors, shall forthwith resign. The aforementioned right shall become effective again at such time as the Corporation may again fail to pay the applicable dividend for the number of quarters set forth above.

## **ARTICLE 5 REDEMPTION, CONVERSION AND PURCHASE**

### **5.1 General**

Subject to 0, and to the extent permitted by applicable law, the Series 1 Shares may be redeemed, converted or purchased by the Corporation or converted by the holder as provided in this 0 but not otherwise.

### **5.2 Corporation's Redemption Rights**

The Series 1 Shares shall not be redeemable prior to March 31, 2015. Subject to Section 0, on March 31, 2015 and on each March 31 every fifth year thereafter (each a "**Series 1 Redemption Date**"), the Corporation may redeem all or any part of the outstanding Series 1 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all declared and unpaid dividends to, but excluding, the Series 1 Redemption Date (less tax, if any, required to be deducted and withheld) (the "**Redemption Price**"). If a Series 1 Redemption Date would otherwise fall on a day that is not a business day, such Series 1 Redemption Date shall be the immediately following business day.

The Series 1 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 1 Shares.

Where a part only of the then outstanding Series 1 Shares is at any time to be redeemed, the Series 1 Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on the Toronto Stock Exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series 1 Redemption Date to each person who at the date of giving such notice is the registered holder of Series 1 Shares. Such notice shall be sent in

accordance with Section 0 and shall set out the number of such Series 1 Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

#### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series 1 Redemption Date pay or cause to be paid to the registered holders of the Series 1 Shares so called for redemption the Redemption Price therefor on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 1 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series 1 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the applicable Series 1 Redemption Date, the holders of Series 1 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 1 Shares in respect of such shares except the right to receive therefor the Redemption Price, provided that if payment of such Redemption Price is not made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 1 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 1 Redemption Date may be reclaimed and used by the Corporation for its own purposes.

#### **5.5 Deposit of Redemption Price**

The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price of the Series 1 Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption its trust for the holders of such shares, and upon such deposit being made or upon the applicable Series 1 Redemption Date, whichever is the later, the Series 1 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the applicable Series 1 Redemption Date and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part (after taking into account any amounts deducted or withheld on account of tax in respect of such holder) of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series 1 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 1 Redemption Date may be reclaimed and used by the Corporation for its own purposes.

## 5.6 Conversion Rights

Holders of Series 1 Shares shall have the right, at their option, on March 31, 2015 and on each March 31 every fifth year thereafter (each a "**Series 1 Conversion Date**"), to convert, subject to the automatic conversion and restrictions on conversion described under Section 0 and Section 0, respectively, and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series 1 Shares registered in their name into Cumulative Floating Rate Preferred Shares, Series 2 (the "**Series 2 Shares**") on the basis of one Series 2 Share for each Series 1 Share. If a Series 1 Conversion Date would otherwise fall on a day that is not a business day, such Series 1 Conversion Date shall be the immediately following business day. Notice of a holder's intention to convert Series 1 Shares (the "**Election Notice**") is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Montreal time) on the 15<sup>th</sup> day preceding the relevant Series 1 Conversion Date.

If the Corporation does not receive an Election Notice from a holder of Series 1 Shares during the notice period therefor, then the Series 1 Shares held by such holder shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 0.)

## 5.7 Notice of Conversion

The Corporation shall, not more than 60 and not less than 30 days prior to each Series 1 Conversion Date, give notice in writing to the then registered holders of the Series 1 Shares of the conversion right under Section 0, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series 1 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 1 Shares of the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 2 Shares for the next Quarterly Floating Rate Period.

If the Corporation gives notice to the registered holders of the Series 1 Shares of the redemption of all the Series 1 Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series 1 Shares of any dividend rates or of the conversion right of holders of Series 1 Shares and the right of any holder of Series 1 Shares to convert such shares shall terminate.

## 5.8 Delivery of Share Certificates on Conversion

Subject to Section 0, in the case of conversion of Series 1 Shares into Series 2 Shares, on and after the applicable Series 1 Conversion Date the Corporation shall deliver to each holder of Series 1 Shares so called for conversion a certificate representing the number of the holder's Series 2 Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series 1 Shares so called for conversion. Subject to Section 0, the Corporation shall deliver or cause to be delivered certificates representing such Series 2 Shares registered in the name of the holders of Series 1 Shares to be converted, or as such holders shall have directed in the Election Notice. Series 1 Shares so converted shall be converted effective on the applicable Series 1 Conversion Date. From and after the applicable Series 1 Conversion Date, the holders of Series 1 Shares so

converted shall cease to be entitled to dividends on such Series 1 Shares or to exercise any of the rights of holders of Series 1 Shares in respect of such shares except the right to receive therefor a certificate representing the number of the holders' Series 2 Shares, and the holders thereof shall become holders of Series 2 Shares of record, effective on the applicable Series 1 Conversion Date, provided however that if the Corporation does not deliver certificates representing Series 2 Shares in accordance herewith, the rights of the holders of Series 1 Shares, including the rights to receive dividends on the Series 1 Shares, shall remain unimpaired. If less than all the Series 1 Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.

## **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 1 Shares, after having taken into account all Series 1 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 1 Shares, then, all, but not part, of the remaining outstanding Series 1 Shares shall automatically be converted into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share on the applicable Series 1 Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series 1 Shares at least seven days prior to the applicable Series 1 Conversion Date.

## **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series 1 Shares into Series 2 Shares and upon an automatic conversion of Series 1 Shares into Series 2 Shares, the Corporation reserves the right not to deliver Series 2 Shares to any person whose address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

## **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in 0, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series 1 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 1 Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

# **ARTICLE 6**

## **RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

### **6.1 Restrictions on Dividends and Retirement of Shares**

As long as any of the Series 1 Shares are outstanding, the Corporation shall not:

- declare or pay or set aside for payment any dividends on any shares of any class of shares of the Corporation ranking as to dividends and capital junior to the

Series 1 Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series 1 Shares);

- call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 1 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or of any other mandatory redemption provisions of any given series of any preferred shares;
- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series 1 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares; or
- issue additional shares ranking as to the payment of dividends or capital senior to the Series 1 Shares,

unless, in each such case, all dividends accrued up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative preferred shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the preferred shares and there will have been paid or set aside for payment all declared dividends in respect of each series of non-cumulative preferred shares and on all other non-cumulative shares ranking on parity with the preferred shares.

## **6.2 Restrictions on Conversion**

Holders of Series 1 Shares shall not be entitled to convert their shares into Series 2 Shares if the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 2 Shares after having taken into account all Series 1 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 1 Shares. The Corporation shall give notice in writing of their inability to convert their Series 1 Shares to all registered holders of the Series 1 Shares at least seven days prior to the applicable Series 1 Conversion Date.

## **ARTICLE 7 ELECTION UNDER THE INCOME TAX ACT**

### **7.1 Election Under the *Income Tax Act* (Canada)**

The Series 1 Shares constitute "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the "**Tax Act**") for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under Part VI.1 of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holder on the Series 1 Shares.

**ARTICLE 8**  
**BOOK-ENTRY ONLY SECURITIES**

Registration of interests in and transfers of the Series 1 Shares will only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to CDS a certificate evidencing the aggregate number of Series 1 Shares issued. Series 1 Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a "**CDS Participant**"). All rights of an owner of Series 1 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 1 Shares. Upon an acquisition of any Series 1 Shares, the owner will receive only the customary confirmation.

The Corporation has the option to terminate registration of the Series 1 Shares through the book-entry only system, in which event certificates for Series 1 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

**ARTICLE 9**  
**NOTICE**

**9.1 Notice**

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 1 Shares at their respective addresses appearing on the books of the Corporation, or, in the case of joint holders, to the address of the holder whose name appears first on the books of the Corporation as one of such joint holders, or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 1 Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 1 Shares pursuant to this Section 0 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

## **9.2 Interpretation**

In the event that any day on which any dividend on the Series 1 Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day.

All references herein to a holder of Series 1 Shares shall be interpreted as referring to a registered holder of the Series 1 Shares.

## **ARTICLE 10 MODIFICATION**

### **10.1 Modification**

The provisions attaching to the Series 1 Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with 0 and with any required approvals of any stock exchanges on which the Series 1 Shares may be listed.

## **ARTICLE 11 APPROVAL OF HOLDERS OF SERIES 1 SHARES**

### **11.1 Approval of Holders of Series 1 Shares**

Except as otherwise provided herein, any approval of the holders of the Series 1 Shares with respect to any matters requiring the consent of such holders, as a series, may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holder(s) of at least

10% of the outstanding Series 1 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of at least 10% of the outstanding Series 1 Shares are not present in person 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holder(s) of Series 1 Shares present in person or represented by proxy shall form the necessary quorum and 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 at such meeting shall constitute the approval of the holders of the Series 1 Shares.

## **11.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of holders of the Series 1 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 1 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 1 Share held.

## **ARTICLE 12 RIGHTS ON LIQUIDATION**

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 1 Shares, the holders of Series 1 Shares shall be entitled to payment of an amount equal to \$25.00 per Series 1 Share, together with an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any shares of the Corporation ranking junior as to capital to the Series 1 Shares. After payment of such amounts, the holders of Series 1 Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

## **ARTICLE 13 WITHHOLDING AND TRANSFER TAXES**

### **13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule A-1, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 1 Shares, including on the redemption, conversion or purchase of the Series 1 Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of whom such withholding was made. The Corporation is hereby authorized to sell or



otherwise dispose of any shares otherwise deliverable to a holder of Series 1 Shares on the conversion of such Series 1 Shares in order to meet this withholding requirement.

### 13.2 Transfer taxes

For greater certainty, and notwithstanding any other provision of this Schedule A-1, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series 2 Shares are issued in connection with the conversion of Series 1 Shares into Series 2 Shares, in respect of the issuance of such Series 2 Shares or the certificate therefore, or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the holder of the Series 1 Shares or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

IV. **The second series of preferred shares shall consist of an unlimited number of preferred shares, which shares shall be designated as Cumulative Floating Rate Preferred Shares, Series 2 (the "Series 2 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:**

## ARTICLE 1 DEFINITIONS

The following definitions are relevant to the Series 2 Shares.

**"accrued and unpaid dividends"** means the aggregate of: (i) all unpaid dividends on the Series 2 Shares; and (ii) the amount calculated as though dividends on each Series 2 Share had been accruing on a day-to-day basis from and including the date on which the last dividend was payable up to and including the date to which the computation of accrued dividends is to be made.

**"Annual Fixed Dividend Rate"** means, for any Subsequent Fixed Rate Period, the annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 3.75%.

**"Bloomberg Screen GCAN5YR Page"** means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada Bond Yields).

**"business day"** means a day of the week other than a Saturday or a Sunday or on a day on which banking institutions in Montreal or Toronto, Canada are authorized or obligated to close.

**"Fixed Rate Calculation Date"** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.75% per annum (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

**"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

**"Government of Canada Bond Yield"** on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Montreal time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

**"in priority to", "on a parity with" and "junior to"** have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

**"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing March 31, 2015.

**"Quarterly Floating Rate Period"** means the period from and including March 31, 2015 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

**"ranking as to capital"** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any 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.

**"ranking as to dividends"** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

**"Subsequent Fixed Rate Period"** means the period from and including March 31, 2015 to, but excluding, March 31, 2020 and each five year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter.

**"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills using the three-

month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on Reuters page "BOCBILL" (or such other page as may replace the BOCBILL page on that service for purposes of displaying Government of Canada Treasury Bill yields).

"*Transfer Agent*" means CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec, its successors and assigns.

## **ARTICLE 2 ISSUE PRICE**

The issue price per Series 2 Share shall be \$25.00.

## **ARTICLE 3 DIVIDENDS**

### **3.1 Dividend Payment Dates and Dividend Periods**

The holders of the Series 2 Shares shall be entitled to receive quarterly floating rate, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the "**Board of Directors**"), out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on the last business day of each of March, June, September and December in each year. Such quarterly cash dividends shall be in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period shall be determined by the Corporation on the relevant Floating Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 2 Shares. The holders of Series 2 Shares shall not be entitled to any dividends other than, or in excess of, the cumulative, preferential cash dividends herein provided for.

Payments of dividends and other amounts in respect of the Series 2 Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, as the case may be, as registered holder of the Series 2 Shares. As long as CDS, or its nominee, is the only registered holder of the Series 2 Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series 2 Shares for the purposes of receiving payment on the Series 2 Shares.

### **3.2 Payment Procedure**

The Corporation shall pay the dividends on the Series 2 Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 2 Shares (in the manner provided for in Section 0) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge

of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

## **ARTICLE 4 VOTING RIGHTS**

### **4.1 Voting Rights**

Subject to applicable law, holders of Series 2 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of shareholders of the Corporation, unless and until the Corporation has failed to pay dividends as provided under Section 0. For greater certainty, the holders of Series 2 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting relating to a proposal to effect an exchange of the Series 2 Shares by way of an amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series 2 Shares are not removed or changed and provided that no class of shares of the Corporation ranking in priority to the Series 2 Shares is created or the Series 2 Shares are not otherwise negatively impacted.

### **4.2 Non-Payment of Dividends**

In the event that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 2 Shares at the applicable dividend rate for such shares, the holders of Series 2 Shares shall be entitled to receive notice of and to attend meetings of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of the other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each Series 2 Share. The voting rights of the holders of Series 2 Shares shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the Series 2 Shares until such time as the Corporation may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights shall become effective again under the provisions of this Section 0.

The effectiveness of this Section 0 shall be suspended until the issuance of a certificate of amendment giving effect to the voting rights described in this Section 0. Such amendment is subject to approval by the holders of common shares of the Corporation at the next meeting of the shareholders of the Corporation after the filing of the articles of amendment creating the Series 2 Shares. For greater certainty, a vote of the holders of Series 2 Shares shall not be required for the purpose of the amendment giving effect to the voting rights described in this Section 0.

#### 4.3 Alternative Nomination Rights

In the event that Section 0 has not become effective in accordance with its terms and that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 2 Shares at the applicable dividend rate for such shares, the Corporation shall take all necessary steps to nominate for election to the Board of Directors, in the manner set out below, one independent candidate proposed by the holders of the Series 2 Shares and the holders of any other preferred shares with respect to which any right to vote as a result of the failure of the Corporation to pay dividends is then in force, acting together as a class.

Said candidate shall be nominated in order to be considered for election pursuant to the vote of all shareholders eligible to vote in accordance with the articles and by-laws of the Corporation at the next scheduled annual shareholders' meeting following the Corporation's failure to pay the dividends as set forth above. Until all such dividends are paid in full, the candidate shall be nominated in order to be considered for election at each annual shareholders' meeting of the Corporation. When such dividends are paid in full, the foregoing right shall be extinguished and the nominee, if then a member of the Board of Directors, shall forthwith resign. The aforementioned right shall become effective again at such time as the Corporation may again fail to pay the applicable dividend for the number of quarters set forth above.

### ARTICLE 5 REDEMPTION, CONVERSION AND PURCHASE

#### 5.1 General

Subject to 0, and to the extent permitted by applicable law, the Series 2 Shares may be redeemed, converted or purchased by the Corporation or converted by the holder as provided in this 0 but not otherwise.

#### 5.2 Corporation's Redemption Rights

Subject to Section 0, on March 31, 2020 and on each March 31 every fifth year thereafter (each a "**Series 2 Redemption Date**"), the Corporation may redeem all or any part of the outstanding Series 2 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all declared and unpaid dividends to, but excluding, the Series 2 Redemption Date (less tax, if any, required to be deducted and withheld) (the "**Redemption Price**"). If a Series 2 Redemption Date would otherwise fall on a day that is not a business day, such Series 2 Redemption Date shall be the immediately following business day.

On any date after March 31, 2015 that is not a Series 2 Redemption Date (the "**Subsequent Redemption Date**"), the Corporation may redeem all or any part of the outstanding Series 2 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.50 per share together with all declared and unpaid dividends to, but excluding, the Subsequent Redemption Date (less tax, if any, required to be deducted and withheld) (the "**Subsequent Redemption Price**").

The Series 2 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 2 Shares.

Where a part only of the then outstanding Series 2 Shares is at any time to be redeemed, the Series 2 Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on the Toronto Stock Exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, to each person who at the date of giving such notice is the registered holder of Series 2 Shares. Such notice shall be sent in accordance with Section 0 and shall set out the number of such Series 2 Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series 2 Redemption Date or on the applicable Subsequent Redemption Date, as the case may be, pay or cause to be paid to the registered holders of the Series 2 Shares so called for redemption the Redemption Price or the Subsequent Redemption Price therefore, as the case may be, on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 2 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price or the Subsequent Redemption Price, as the case may be, and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price or the Subsequent Redemption Price, as the case may be, owed to the holders of Series 2 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, the holders of Series 2 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 2 Shares in respect of such shares except the right to receive therefor the Redemption Price or the Subsequent Redemption Price, as the case may be, provided that if payment of such Redemption Price or Subsequent Redemption Price, as the case may be, is not made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 2 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, may be reclaimed and used by the Corporation for its own purposes.

## 5.5 Deposit of Redemption Price

The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price or Subsequent Redemption Price, as the case may be, of the Series 2 Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption its trust for the holders of such shares, and upon such deposit being made or upon the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, whichever is the later, the Series 2 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part (after taking into account any amounts deducted or withheld on account of tax in respect of such holder) of the Redemption Price or the Subsequent Redemption Price, as the case may be, so deposited upon presentation and surrender of the certificate or certificates representing the Series 2 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 2 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, may be reclaimed and used by the Corporation for its own purposes.

## 5.6 Conversion Rights

Holders of Series 2 Shares shall have the right, at their option, on March 31, 2020 and on each March 31 every fifth year thereafter (each a "**Series 2 Conversion Date**"), to convert, subject to the automatic conversion and restrictions on conversion described under Section 0 and Section 0, respectively, and the payment or delivery to the Corporation of evidence of payment of tax (if any) payable, all or any of their Series 2 Shares registered in their name into Cumulative Rate Reset Preferred Shares, Series 1 (the "**Series 1 Shares**") on the basis of one Series 1 Share for each Series 2 Share. If a Series 2 Conversion Date would otherwise fall on a day that is not a business day, such Series 2 Conversion Date shall be the immediately following business day. Notice of a holder's intention to convert Series 2 Shares (the "**Election Notice**") is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Montreal time) on the 15<sup>th</sup> day preceding the relevant Series 2 Conversion Date.

If the Corporation does not receive an Election Notice from a holder of Series 2 Shares during the notice period therefor, then the Series 2 Shares held by such holder shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 0.)

## 5.7 Notice of Conversion

The Corporation shall, not more than 60 and not less than 30 days prior to each Series 2 Conversion Date, give notice in writing to the then registered holders of the Series 2 Shares of the conversion right under Section 0, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series 2 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 2 Shares of the Floating Quarterly Dividend Rate for the next

Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 1 Shares for the next Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series 2 Shares of the redemption of all the Series 2 Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series 2 Shares of any dividend rates or of the conversion right of holders of Series 2 Shares and the right of any holder of Series 2 Shares to convert such shares shall terminate.

## **5.8 Delivery of Share Certificates on Conversion**

Subject to Section 0, in the case of conversion of Series 2 Shares into Series 1 Shares, on and after the applicable Series 2 Conversion Date the Corporation shall deliver to each holder of Series 2 Shares so called for conversion a certificate representing the number of the holder's Series 1 Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series 2 Shares so called for conversion. Subject to Section 0, the Corporation shall deliver or cause to be delivered certificates representing such Series 1 Shares registered in the name of the holders of Series 2 Shares to be converted, or as such holders shall have directed in the Election Notice. Series 2 Shares so converted shall be converted effective on the applicable Series 2 Conversion Date. From and after the applicable Series 2 Conversion Date, the holders of Series 2 Shares so converted shall cease to be entitled to dividends on such Series 2 Shares or to exercise any of the rights of holders of Series 2 Shares in respect of such shares except the right to receive therefor a certificate representing the number of the holders' Series 1 Shares, and the holders thereof shall become holders of Series 1 Shares of record, effective on the applicable Series 2 Conversion Date, provided however that if the Corporation does not deliver certificates representing Series 1 Shares in accordance herewith, the rights of the holders of Series 2 Shares, including the rights to receive dividends on the Series 2 Shares, shall remain unimpaired. If less than all the Series 2 Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.

## **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 2 Shares, after having taken into account all Series 2 Shares tendered for conversion into Series 1 Shares and all Series 1 Shares tendered for conversion into Series 2 Shares, then, all, but not part, of the remaining outstanding Series 2 Shares shall automatically be converted into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share on the applicable Series 2 Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series 2 Shares at least seven days prior to the applicable Series 2 Conversion Date.

## **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series 2 Shares into Series 1 Shares and upon an automatic conversion of Series 2 Shares into Series 1 Shares, the Corporation reserves the right not to deliver Series 1 Shares to any person whose address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any



jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

#### **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in 0, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series 2 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 2 Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

### **ARTICLE 6**

#### **RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

##### **6.1 Restrictions on Dividends and Retirement of Shares**

As long as any of the Series 2 Shares are outstanding, the Corporation shall not:

- declare or pay or set aside for payment any dividends on any shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 2 Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series 2 Shares);
- call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 2 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or of any other mandatory redemption provisions of any given series of any preferred shares;
- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series 2 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares; or
- issue additional shares ranking as to the payment of dividends or capital senior to the Series 2 Shares,

unless, in each such case, all dividends accrued up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative preferred shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the preferred shares and there will have been paid or set aside for payment all declared dividends in respect of each series of non-cumulative preferred shares and on all other non-cumulative shares ranking on parity with the preferred shares.

## 6.2 Restrictions on Conversion

Holders of Series 2 Shares shall not be entitled to convert their shares into Series 1 Shares if the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 1 Shares after having taken into account all Series 2 Shares tendered for conversion into Series 1 Shares and all Series 1 Shares tendered for conversion into Series 2 Shares. The Corporation shall give notice in writing of their inability to convert their Series 2 Shares to all registered holders of the Series 2 Shares at least seven days prior to the applicable Series 2 Conversion Date.

## ARTICLE 7 ELECTION UNDER THE INCOME TAX ACT

### 7.1 Election Under the *Income Tax Act* (Canada)

The Series 2 Shares constitute "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the "**Tax Act**") for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under Part VI.1 of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holder on the Series 2 Shares.

## ARTICLE 8 BOOK-ENTRY ONLY SECURITIES

Registration of interests in and transfers of the Series 2 Shares will only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to CDS a certificate evidencing the aggregate number of Series 2 Shares issued. Series 2 Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a "**CDS Participant**"). All rights of an owner of Series 2 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 2 Shares. Upon an acquisition of any Series 2 Shares, the owner will receive only the customary confirmation.

The Corporation has the option to terminate registration of the Series 2 Shares through the book-entry only system, in which event certificates for Series 2 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

## ARTICLE 9 NOTICE

### 9.1 Notice

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 2 Shares at their respective addresses appearing on the books of the Corporation, or, in the case of joint holders, to the

address of the holder whose name appears first on the books of the Corporation as one of such joint holders, or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 2 Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 2 Shares pursuant to this Section 0 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

## **9.2 Interpretation**

In the event that any day on which any dividend on the Series 2 Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day.

All references herein to a holder of Series 2 Shares shall be interpreted as referring to a registered holder of the Series 2 Shares.

## **ARTICLE 10 MODIFICATION**

### **10.1 Modification**

The provisions attaching to the Series 2 Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with 0 and with any required approvals of any stock exchanges on which the Series 2 Shares may be listed.

## **ARTICLE 11 APPROVAL OF HOLDERS OF SERIES 2 SHARES**

### **11.1 Approval of Holders of Series 2 Shares**

Except as otherwise provided herein, any approval of the holders of the Series 2 Shares with respect to any matters requiring the consent of such holders, as a series, may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holder(s) of at least 10% of the outstanding Series 2 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of at least 10% of the outstanding Series 2 Shares are not present in person 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holder(s) of Series 2 Shares present in person or represented by proxy shall form the necessary quorum and 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 at such meeting shall constitute the approval of the holders of the Series 2 Shares.

### **11.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of holders of the Series 2 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 2 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 2 Share held.

## **ARTICLE 12 RIGHTS ON LIQUIDATION**

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

claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 2 Shares, the holders of Series 2 Shares shall be entitled to payment of an amount equal to \$25.00 per Series 2 Share, together with an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any shares of the Corporation ranking junior as to capital to the Series 2 Shares. After payment of such amounts, the holders of Series 2 Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

## **ARTICLE 13 WITHHOLDING AND TRANSFER TAXES**

### **13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule A-2, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 2 Shares, including on the redemption, conversion or purchase of the Series 2 Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of whom such withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of any shares otherwise deliverable to a holder of Series 2 Shares on the conversion of such Series 2 Shares in order to meet this withholding requirement.

### **13.2 Transfer Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule A-2, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series 1 Shares are issued in connection with the conversion of Series 2 Shares into Series 1 Shares, in respect of the issuance of such Series 1 Shares or the certificate therefore, or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the holder of the Series 2 Shares or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

- V. The third series of preferred shares shall consist of an unlimited number of preferred shares, which shares shall be designated as Cumulative Rate Reset Preferred Shares, Series 3 (the "Series 3 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:**

## **ARTICLE 1 DEFINITIONS**

The following definitions are relevant to the Series 3 Shares.

**accrued and unpaid dividends** means the aggregate of: (i) all unpaid dividends on the Series 3 Shares; and (ii) the amount calculated as though dividends on each Series 3 Share had been accruing on a day to-day basis from and including the date on which the last dividend was payable up to and including the date to which the computation of accrued dividends is to be made.

**Annual Fixed Dividend Rate** means, for any Subsequent Fixed Rate Period, the annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 4.20%.

**Bloomberg Screen GCAN5YR Page** means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada Bond Yields).

**business day** means a day of the week other than a Saturday or a Sunday or on a day on which banking institutions in Montreal or Toronto, Canada are authorized or obligated to close.

**Fixed Rate Calculation Date** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**Floating Quarterly Dividend Rate** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.20% per annum (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

**Floating Rate Calculation Date** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

**Government of Canada Bond Yield** on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Montreal time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

**in priority to, on a parity with** and junior to have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

**Initial Fixed Rate Period** means the period from and including the date of the initial issuance of the Series 3 Shares to, but excluding, March 31, 2019.

**Quarterly Commencement Date** means the last day of March, June, September and December in each year, commencing March 31, 2019.

**Quarterly Floating Rate Period** means the period from and including March 31, 2019 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

**ranking as to capital** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any 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.

**ranking as to dividends** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

**Subsequent Fixed Rate Period** means for the initial Subsequent Fixed Rate Period the period from and including March 31, 2019 to, but excluding, March 31, 2024 and each five year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter.

**T-Bill Rate** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on Reuters page "BOCBILL" (or such other page as may replace the BOCBILL page on that service for purposes of displaying Government of Canada Treasury Bill yields).

**Transfer Agent** means CIBC Mellon Trust Company at its principal transfer office in Montreal, Quebec, its successors and assigns.

## **ARTICLE 2 ISSUE PRICE**

The consideration for which each Series 3 Share shall be issued is \$25.00 and, upon payment of such consideration, each such share shall be issued as fully paid and non-assessable.

## **ARTICLE 3 DIVIDENDS**

### **3.1 Dividend Payment Dates and Dividend Periods**

During the Initial Fixed Rate Period, the holders of the Series 3 Shares shall be entitled to receive fixed, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the Board of Directors), out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on the last business day of each of March, June, September and December in each year at a per annum rate of 6.25%, or \$1.5625 per Series 3 Share per annum. The first such dividend, if

declared, shall be paid on March 31, 2014, and, assuming an issue date of January 15, 2014, shall amount to \$0.3211 per share.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of the Series 3 Shares shall be entitled to receive fixed, cumulative, preferential cash dividends payable quarterly on the last business day of each of March, June, September and December in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00. The holders of Series 3 Shares shall not be entitled to any dividends other than, or in excess of, the cumulative preferential cash dividends herein provided for.

The Corporation shall determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 3 Shares. The Corporation shall, on the relevant Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Series 3 Shares.

Payments of dividends and other amounts in respect of the Series 3 Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. (CDS), or its nominee, as the case may be, as registered holder of the Series 3 Shares. As long as CDS, or its nominee, is the only registered holder of the Series 3 Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series 3 Shares for the purposes of receiving payment on the Series 3 Shares.

### **3.2 Payment Procedure**

The Corporation shall pay the dividends on the Series 3 Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 3 Shares (in the manner provided for in Section 0) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.



## ARTICLE 4 VOTING RIGHTS

### 4.1 Voting Rights

Subject to applicable law, holders of Series 3 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of shareholders of the Corporation, unless and until the Corporation has failed to pay dividends as provided under Section 0. For greater certainty, the holders of Series 3 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting relating to a proposal to effect an exchange of the Series 3 Shares by way of an amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series 3 Shares are not removed or changed and provided that no class of shares of the Corporation ranking in priority to the Series 3 Shares is created or the Series 3 Shares are not otherwise negatively impacted.

### 4.2 Non-Payment of Dividends

In the event that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 3 Shares at the applicable dividend rate for such shares, the holders of Series 3 Shares shall be entitled to receive notice of and to attend meetings of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of the other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each Series 3 Share. The voting rights of the holders of Series 3 Shares shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the Series 3 Shares until such time as the Corporation may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights shall become effective again under the provisions of this Section 0.

## ARTICLE 5 REDEMPTION, CONVERSION AND PURCHASE

### 5.1 General

Subject to 0, and to the extent permitted by applicable law, the Series 3 Shares may be redeemed, converted or purchased by the Corporation or converted by the holder as provided in this 0 but not otherwise.

### 5.2 Corporation's Redemption Rights

The Series 3 Shares shall not be redeemable prior to March 31, 2019. Subject to Section 0, on March 31, 2019 and on each March 31 every fifth year thereafter (each a **Series 3 Redemption Date**), the Corporation may redeem all or any part of the outstanding Series 3 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all declared and unpaid dividends to, but excluding, the Series 3 Redemption Date (less any amount of tax, if any, required to be deducted and withheld) (the **Redemption Price**). If a Series 3 Redemption Date would

otherwise fall on a day that is not a business day, such Series 3 Redemption Date shall be the immediately following business day.

The Series 3 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 3 Shares.

Where a part only of the then outstanding Series 3 Shares is at any time to be redeemed, the Series 3 Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on the Toronto Stock Exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series 3 Redemption Date to each person who at the date of giving such notice is the registered holder of Series 3 Shares. Such notice shall be sent in accordance with Section 0 and shall set out the number of such Series 3 Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series 3 Redemption Date pay or cause to be paid to the registered holders of the Series 3 Shares so called for redemption the Redemption Price therefor on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 3 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series 3 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the applicable Series 3 Redemption Date, the holders of Series 3 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 3 Shares in respect of such shares except the right to receive therefor the Redemption Price, provided that if payment of such Redemption Price is not made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 3 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 3 Redemption Date may be reclaimed and used by the Corporation for its own purposes.

## 5.5 Deposit of Redemption Price

The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price of the Series 3 Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption its trust for the holders of such shares, and upon such deposit being made or upon the applicable Series 3 Redemption Date, whichever is the later, the Series 3 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the applicable Series 3 Redemption Date and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part (after taking into account any amounts deducted or withheld on account of tax in respect of such holder) of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series 3 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 3 Redemption Date may be reclaimed and used by the Corporation for its own purposes.

## 5.6 Conversion Rights

Holders of Series 3 Shares shall have the right, at their option, on March 31, 2019 and on each March 31 every fifth year thereafter (each a **Series 3 Conversion Date**), to convert, subject to the automatic conversion and restrictions on conversion described under Section 0 and Section 0, respectively, and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series 3 Shares registered in their name into Cumulative Floating Rate Preferred Shares, Series 4 (the **Series 4 Shares**) on the basis of one Series 4 Share for each Series 3 Share. If a Series 3 Conversion Date would otherwise fall on a day that is not a business day, such Series 3 Conversion Date shall be the immediately following business day. Notice of a holder's intention to convert Series 3 Shares (the Election Notice) is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Eastern time) on the 15<sup>th</sup> day preceding the relevant Series 3 Conversion Date.

If the Corporation does not receive an Election Notice from a holder of Series 3 Shares during the notice period therefor, then the Series 3 Shares held by such holder shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 0).

## 5.7 Notice of Conversion

The Corporation shall, not more than 60 and not less than 30 days prior to each Series 3 Conversion Date, give notice in writing to the then registered holders of the Series 3 Shares of the conversion right under Section 0, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series 3 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 3 Shares of the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 4 Shares for the next Quarterly Floating Rate Period.

If the Corporation gives notice to the registered holders of the Series 3 Shares of the redemption of all the Series 3 Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series 3 Shares of any dividend rates or of the conversion right of holders of Series 3 Shares and the right of any holder of Series 3 Shares to convert such shares shall terminate.

## **5.8 Delivery of Share Certificates on Conversion**

Subject to Section 0, in the case of conversion of Series 3 Shares into Series 4 Shares, on and after the applicable Series 3 Conversion Date the Corporation shall deliver to each holder of Series 3 Shares so called for conversion a certificate representing the number of the holder's Series 4 Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series 3 Shares so called for conversion. Subject to Section 0, the Corporation shall deliver or cause to be delivered certificates representing such Series 4 Shares registered in the name of the holders of Series 3 Shares to be converted, or as such holders shall have directed in the Election Notice. Series 3 Shares so converted shall be converted effective on the applicable Series 3 Conversion Date. From and after the applicable Series 3 Conversion Date, the holders of Series 3 Shares so converted shall cease to be entitled to dividends on such Series 3 Shares or to exercise any of the rights of holders of Series 3 Shares in respect of such shares except the right to receive therefor a certificate representing the number of the holders' Series 4 Shares, and the holders thereof shall become holders of Series 4 Shares of record, effective on the applicable Series 3 Conversion Date, provided however that if the Corporation does not deliver certificates representing Series 4 Shares in accordance herewith, the rights of the holders of Series 3 Shares, including the rights to receive dividends on the Series 3 Shares, shall remain unimpaired.

If less than all the Series 3 Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.

## **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series 3 Conversion Date less than 1,000,000 Series 3 Shares, after having taken into account all Series 3 Shares tendered for conversion into Series 4 Shares and all Series 4 Shares tendered for conversion into Series 3 Shares, then, all, but not part, of the remaining outstanding Series 3 Shares shall automatically be converted into Series 4 Shares on the basis of one Series 4 Share for each Series 3 Share on the applicable Series 3 Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series 3 Shares at least seven days prior to the applicable Series 3 Conversion Date.

## **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series 3 Shares into Series 4 Shares and upon an automatic conversion of Series 3 Shares into Series 4 Shares, the Corporation reserves the right not to deliver Series 4 Shares to any person whose

address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

#### **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in 0, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series 3 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 3 Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

### **ARTICLE 6 RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

#### **6.1 Restrictions on Dividends and Retirement of Shares**

As long as any of the Series 3 Shares are outstanding, the Corporation shall not:

- declare or pay or set aside for payment any dividends on any shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 3 Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series 3 Shares);
- call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 3 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or of any other mandatory redemption provisions of any given series of any preferred shares;
- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series 3 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares; or
- issue additional shares ranking as to the payment of dividends or capital senior to the Series 3 Shares,

unless, in each such case, all dividends accrued up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative preferred shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the preferred shares and there will have been paid or set aside for payment all declared dividends in respect of

each series of non-cumulative preferred shares and on all other non-cumulative shares ranking on parity with the preferred shares.

## **6.2 Restrictions on Conversion**

Holders of Series 3 Shares shall not be entitled to convert their shares into Series 4 Shares if the Corporation determines that there would remain outstanding on a Series 3 Conversion Date less than 1,000,000 Series 4 Shares after having taken into account all Series 3 Shares tendered for conversion into Series 4 Shares and all Series 4 Shares tendered for conversion into Series 3 Shares. The Corporation shall give notice in writing of their inability to convert their Series 3 Shares to all registered holders of the Series 3 Shares at least seven days prior to the applicable Series 3 Conversion Date.

## **ARTICLE 7 ELECTION UNDER THE INCOME TAX ACT**

### **7.1 Election Under the *Income Tax Act* (Canada)**

The Series 3 Shares constitute "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the Tax Act) for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under subsection 191.2(1) of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holders on the Series 3 Shares.

## **ARTICLE 8 BOOK-ENTRY ONLY SECURITIES**

### **8.1 Book-Entry Only Securities**

Registration of interests in and transfers of the Series 3 Shares will only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to COS a certificate evidencing the aggregate number of Series 3 Shares issued. Series 3 Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a COS Participant). All rights of an owner of Series 3 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 3 Shares. Upon an acquisition of any Series 3 Shares, the owner will receive only the customary confirmation.

The Corporation has the option to terminate registration of the Series 3 Shares through the book-entry only system, in which event certificates for Series 3 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

## ARTICLE 9 NOTICE

### 9.1 Notice

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 3 Shares at their respective addresses appearing on the books of the Corporation, or, in the case of joint holders, to the address of the holder whose name appears first on the books of the Corporation as one of such joint holders, or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 3 Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 3 Shares pursuant to this Section 0 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/ or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in 0 au-dessus, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

## **9.2 Interpretation**

In the event that any day on which any dividend on the Series 3 Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day.

All references herein to a holder of Series 3 Shares shall be interpreted as referring to a registered holder of the Series 3 Shares.

## **ARTICLE 10 MODIFICATION**

### **10.1 Modification**

The provisions attaching to the Series 3 Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with 0 and with any required approvals of any stock exchanges on which the Series 3 Shares may be listed.

## **ARTICLE 11 APPROVAL OF HOLDERS OF SERIES 3 SHARES**

### **11.1 Approval of Holders of Series 3 Shares**

Except as otherwise provided herein, any approval of the holders of the Series 3 Shares with respect to any matters requiring the consent of such holders, as a series, may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holder(s) of at least 10% of the outstanding Series 3 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of at least 10% of the outstanding Series 3 Shares are not present in person 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holder(s) of Series 3 Shares present in person or represented by proxy shall farm the necessary quorum and 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 at such meeting shall constitute the approval of the holders of the Series 3 Shares.

### **11.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or



any adjourned meeting of holders of the Series 3 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 3 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 3 Share held.

## **ARTICLE 12 RIGHTS ON LIQUIDATION**

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 3 Shares, the holders of Series 3 Shares shall be entitled to payment of an amount equal to \$25.00 per Series 3 Share, together with an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any shares of the Corporation ranking junior as to capital to the Series 3 Shares. After payment of such amounts, the holders of Series 3 Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

## **ARTICLE 13 WITHHOLDING AND TRANSFER TAXES**

### **13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 3 Shares, including on the redemption, conversion or purchase of the Series 3 Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of whom such withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of any shares otherwise deliverable to a holder of Series 3 Shares on the conversion of such Series 3 Shares in order to meet this withholding requirement.

### **13.2 Transfer taxes**

For greater certainty, and notwithstanding any other provision of this Schedule, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series 4 Shares are issued in connection with the conversion of Series 3 Shares into Series 4 Shares, in respect of the issuance of such Series 4 Shares or the certificate therefore, or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the holder of the Series 3 Shares or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

- VI. The fourth series of preferred shares shall consist of an unlimited number of preferred shares, which shares shall be designated as Cumulative Floating Rate Preferred Shares, Series 4 (the "Series 4 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

## ARTICLE 1 DEFINITIONS

The following definitions are relevant to the Series 4 Shares.

**accrued and unpaid dividends** means the aggregate of (i) all unpaid dividends on the Series 4 Shares; and (ii) the amount calculated as though dividends on each Series 4 Share had been accruing on a day-to-day basis from and including the date on which the last dividend was payable up to and including the date to which the computation of accrued dividends is to be made.

**Annual Fixed Dividend Rate** means, for any Subsequent Fixed Rate Period, the annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 4.20%.

**Bloomberg Screen GCAN5YR Page** means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada Bond Yields).

**business day** means a day of the week other than a Saturday or a Sunday or on a day on which banking institutions in Montreal or Toronto, Canada are authorized or obligated to close.

**Fixed Rate Calculation Date** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**Floating Quarterly Dividend Rate** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.20% per annum (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

**Floating Rate Calculation Date** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

**Government of Canada Bond Yield** on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Montreal time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the

Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

**in priority to, on a parity with** and junior to have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

**Quarterly Commencement Date** means the last day of March, June, September and December in each year, commencing March 31, 2019.

**Quarterly Floating Rate Period** means the period from and including March 31, 2019 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

**ranking as to capital** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any 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.

**ranking as to dividends** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

**Subsequent Fixed Rate Period** means for the initial Subsequent Fixed Rate Period, the period from and including March 31, 2019 to, but excluding, March 31, 2024 and each five year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter.

**T Bill Rate** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on Reuters page "BOCBILL" (or such other page as may replace the BOCBILL page on that service for purposes of displaying Government of Canada Treasury Bill yields).

**Transfer Agent** means CIBC Mellon Trust Company at its principal transfer office in Montreal, Quebec, its successors and assigns.

## **ARTICLE 2 ISSUE PRICE**

The issue price per Series 4 Share shall be \$25.00.

## **ARTICLE 3 DIVIDENDS**

### **3.1 Dividend Payment Dates and Dividend Periods**

The holders of the Series 4 Shares shall be entitled to receive quarterly floating rate, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the **Board of Directors**), out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on the last business day of each of March, June, September and December in each year. Such quarterly cash dividends shall be in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period shall be determined by the Corporation on the relevant Floating Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 4 Shares. The holders of Series 4 Shares shall not be entitled to any dividends other than, or in excess of, the cumulative, preferential cash dividends herein provided for.

Payments of dividends and other amounts in respect of the Series 4 Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. (CDS), or its nominee, as the case may be, as registered holder of the Series 4 Shares. As long as CDS, or its nominee, is the only registered holder of the Series 4 Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series 4 Shares for the purposes of receiving payment on the Series 4 Shares.

### **3.2 Payment Procedure**

The Corporation shall pay the dividends on the Series 4 Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 4 Shares (in the manner provided for in Section 9.1) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

## ARTICLE 4 VOTING RIGHTS

### 4.1 Voting Rights

Subject to applicable law, holders of Series 4 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of shareholders of the Corporation, unless and until the Corporation has failed to pay dividends as provided under Section 4.2. For greater certainty, the holders of Series 4 Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting relating to a proposal to effect an exchange of the Series 4 Shares by way of an amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series 4 Shares are not removed or changed and provided that no class of shares of the Corporation ranking in priority to the Series 4 Shares is created or the Series 4 Shares are not otherwise negatively impacted.

### 4.2 Non-Payment of Dividends

In the event that the Corporation shall have failed to pay the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 4 Shares at the applicable dividend rate for such shares, the holders of Series 4 Shares shall be entitled to receive notice of and to attend meetings of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of the other shareholders of the Corporation entitled to vote at such meetings on the basis of one vote for each Series 4 Share. The voting rights of the holders of Series 4 Shares shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the Series 4 Shares until such time as the Corporation may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights shall become effective again under the provisions of this Section 4.2.

## ARTICLE 5 REDEMPTION, CONVERSION AND PURCHASE

### 5.1 General

Subject to Article 6, and to the extent permitted by applicable law, the Series 4 Shares may be redeemed, converted or purchased by the Corporation or converted by the holder as provided in this Article 5 but not otherwise.

### 5.2 Corporation's Redemption Rights

Subject to Section 6.1, on March 31, 2024 and on each March 31 every fifth year thereafter (each a Series 4 Redemption Date), the Corporation may redeem all or any part of the outstanding Series 4 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all declared and unpaid dividends to, but excluding, the Series 4 Redemption Date (less any amount of tax, if any, required to be deducted and withheld) (the **Redemption Price**). If a Series 4 Redemption Date

would otherwise fall on a day that is not a business day, such Series 4 Redemption Date shall be the immediately following business day.

On any date after March 31, 2019 that is not a Series 4 Redemption Date (the **Subsequent Redemption Date**), the Corporation may redeem all or any part of the outstanding Series 4 Shares, at the Corporation's option, by the payment of an amount in cash of \$25.50 per share together with all declared and unpaid dividends to, but excluding, the Subsequent Redemption Date (less tax, if any, required to be deducted and withheld) (the **Subsequent Redemption Price**).

The Series 4 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 4 Shares.

Where a part only of the then outstanding Series 4 Shares is at any time to be redeemed, the Series 4 Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on the Toronto Stock Exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, to each person who at the date of giving such notice is the registered holder of Series 4 Shares. Such notice shall be sent in accordance with Section 9.1 and shall set out the number of such Series 4 Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series 4 Redemption Date or on the applicable Subsequent Redemption Date, as the case may be, pay or cause to be paid to the registered holders of the Series 4 Shares so called for redemption the Redemption Price or the Subsequent Redemption Price therefore, as the case may be, on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 4 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price or the Subsequent Redemption Price, as the case may be, and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price or the Subsequent Redemption Price, as the case may be, owed to the holders of Series 4 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment From and after the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, the holders of Series 4 Shares called for redemption shall cease

to be entitled to dividends or to exercise any of the rights of holders of Series 4 Shares in respect of such shares except the right to receive therefor the Redemption Price or the Subsequent Redemption Price, as the case may be, provided that if payment of such Redemption Price or Subsequent Redemption Price, as the case may be, is not made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 4 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, may be reclaimed and used by the Corporation for its own purposes.

## 5.5 Deposit of Redemption Price

The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price or Subsequent Redemption Price, as the case may be, of the Series 4 Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption its trust for the holders of such shares, and upon such deposit being made or upon the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, whichever is the later, the Series 4 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part (after taking into account any amounts deducted or withheld on account of tax in respect of such holder) of the Redemption Price or the Subsequent Redemption Price, as the case may be, so deposited upon presentation and surrender of the certificate or certificates representing the Series 4 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series 4 Redemption Date or the applicable Subsequent Redemption Date, as the case may be, may be reclaimed and used by the Corporation for its own purposes.

## 5.6 Conversion Rights

Holders of Series 4 Shares shall have the right, at their option, on March 31, 2024 and on each March 31 every fifth year thereafter (each a **Series 4 Conversion Date**), to convert, subject to the automatic conversion and restrictions on conversion described under Section 5.9 and Section 6.2, respectively, and the payment or delivery to the Corporation of evidence of payment of tax (if any) payable, all or any of their Series 4 Shares registered in their name into Cumulative Rate Reset Preferred Shares, Series 3 (the Series 3 Shares) on the basis of one Series 3 Share for each Series 4 Share. If a Series 4 Conversion Date would otherwise fall on a day that is not a business day, such Series 4 Conversion Date shall be the immediately following business day. Notice of a holder's intention to convert Series 4 Shares (the Election Notice) is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Eastern time) on the 15<sup>th</sup> day preceding the relevant Series 4 Conversion Date.

If the Corporation does not receive an Election Notice from a holder of Series 4 Shares during the notice period therefor, then the Series 4 Shares held by such holder shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 5.9).

## **5.7 Notice of Conversion**

The Corporation shall, not more than 60 and not less than 30 days prior to each Series 4 Conversion Date, give notice in writing to the then registered holders of the Series 4 Shares of the conversion right under Section 5.6, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series 4 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 4 Shares of the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 3 Shares for the next Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series 4 Shares of the redemption of all the Series 4 Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series 4 Shares of any dividend rates or of the conversion right of holders of Series 4 Shares and the right of any holder of Series 4 Shares to convert such shares shall terminate.

## **5.8 Delivery of Share Certificates on Conversion**

Subject to Section 5.10, in the case of conversion of Series 4 Shares into Series 3 Shares, on and after the applicable Series 4 Conversion Date the Corporation shall deliver to each holder of Series 4 Shares so called for conversion a certificate representing the number of the holder's Series 3 Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series 4 Shares so called for conversion. Subject to Section 5.10, the Corporation shall deliver or cause to be delivered certificates representing such Series 3 Shares registered in the name of the holders of Series 4 Shares to be converted, or as such holders shall have directed in the Election Notice. Series 4 Shares so converted shall be converted effective on the applicable Series 4 Conversion Date. From and after the applicable Series 4 Conversion Date, the holders of Series 4 Shares so converted shall cease to be entitled to dividends on such Series 4 Shares or to exercise any of the rights of holders of Series 4 Shares in respect of such shares except the right to receive therefor a certificate representing the number of the holders' Series 3 Shares, and the holders thereof shall become holders of Series 3 Shares of record, effective on the applicable Series 4 Conversion Date, provided however that if the Corporation does not deliver certificates representing Series 3 Shares in accordance herewith, the rights of the holders of Series 4 Shares, including the rights to receive dividends on the Series 4 Shares, shall remain unimpaired. If less than all the Series 4 Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.



## **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series 4 Conversion Date less than 1,000,000 Series 4 Shares, after having taken into account all Series 4 Shares tendered for conversion into Series 3 Shares and all Series 3 Shares tendered for conversion into Series 4 Shares, then, all, but not part, of the remaining outstanding Series 4 Shares shall automatically be converted into Series 3 Shares on the basis of one Series 3 Share for each Series 4 Share on the applicable Series 4 Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series 4 Shares at least seven days prior to the applicable Series 4 Conversion Date.

## **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series 4 Shares into Series 3 Shares and upon an automatic conversion of Series 4 Shares into Series 3 Shares, the Corporation reserves the right not to deliver Series 3 Shares to any person whose address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

## **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in Article 6, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series 4 Shares outstanding from time to time, In the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 4 Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

# **ARTICLE 6**

## **RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

### **6.1 Restrictions on Dividends and Retirement of Shares**

As long as any of the Series 4 Shares are outstanding, the Corporation shall not:

- declare or pay or set aside for payment any dividends on any shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 4 Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series 4 Shares);
- call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of any class of shares of the Corporation ranking as to dividends and capital junior to the Series 4 Shares, except in satisfaction of an obligation to purchase or obligation in respect

of a sinking fund, of a right of retraction or of any other mandatory redemption provisions of any given series of any preferred shares;

- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series 4 Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares; or
- issue additional shares ranking as to the payment of dividends or capital senior to the Series 4 Shares,

unless, in each such case, all dividends accrued up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative preferred shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the preferred shares and there will have been paid or set aside for payment all declared dividends in respect of each series of non-cumulative preferred shares and on all other non-cumulative shares ranking on parity with the preferred shares.

## **6.2 Restrictions on Conversion**

Holders of Series 4 Shares shall not be entitled to convert their shares into Series 3 Shares if the Corporation determines that there would remain outstanding on a Series 4 Conversion Date less than 1,000,000 Series 3 Shares after having taken into account all Series 4 Shares tendered for conversion into Series 3 Shares and all Series 3 Shares tendered for conversion into Series 4 Shares. The Corporation shall give notice in writing of their inability to convert their Series 4 Shares to all registered holders of the Series 4 Shares at least seven days prior to the applicable Series 4 Conversion Date.

## **ARTICLE 7 ELECTION UNDER THE INCOME TAX ACT**

### **7.1 Election Under the *Income Tax Act* (Canada)**

The Series 4 Shares constitute "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the Tax Act) for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under subsection 191.2(1) of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holders on the Series 4 Shares.

**ARTICLE 8**  
**BOOK-ENTRY ONLY SECURITIES**

**8.1 Book-Entry Only Securities**

Registration of interests in and transfers of the Series 4 Shares will only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to CDS a certificate evidencing the aggregate number of Series 4 Shares issued. Series 4 Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a COS Participant). All rights of an owner of Series 4 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, COS or the CDS Participant through which the owner holds Series 4 Shares. Upon an acquisition of any Series 4 Shares, the owner will receive only the customary confirmation.

The Corporation has the option to terminate registration of the Series 4 Shares through the book- entry only system, in which event certificates for Series 4 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

**ARTICLE 9**  
**NOTICE**

**9.1 Notice**

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 4 Shares at their respective addresses appearing on the books of the Corporation, or, in the case of joint holders, to the address of the holder whose name appears first on the books of the Corporation as one of such joint holders, or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 4 Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 4 Shares pursuant to this Section 9.1 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a holder, whether in

connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/ or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

## **9.2 Interpretation**

In the event that any day on which any dividend on the Series 4 Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day.

All references herein to a holder of Series 4 Shares shall be interpreted as referring to a registered holder of the Series 4 Shares.

## **ARTICLE 10 MODIFICATION**

### **10.1 Modification**

The provisions attaching to the Series 4 Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be required by the Canada Business Corporations Act, with any such approval to be given in accordance with Article 11 and with any required approvals of any stock exchanges on which the Series 4 Shares may be listed.

## **ARTICLE 11 APPROVAL OF HOLDERS OF SERIES 4 SHARES**

### **11.1 Approval of Holders of Series 4 Shares**

Except as otherwise provided herein, any approval of the holders of the Series 4 Shares with respect to any matters requiring the consent of such holders, as a series, may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of not less than two-thirds of the votes cast by the holders

who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holder(s) of at least 10% of the outstanding Series 4 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of at least 10% of the outstanding Series 4 Shares are not present in person 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holder(s) of Series 4 Shares present in person or represented by proxy shall form the necessary quorum and 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 at such meeting shall constitute the approval of the holders of the Series 4 Shares.

## **11.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of holders of the Series 4 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 4 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 4 Share held.

## **ARTICLE 12 RIGHTS ON LIQUIDATION**

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 4 Shares, the holders of Series 4 Shares shall be entitled to payment of an amount equal to \$25.00 per Series 4 Share, together with an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any shares of the Corporation ranking junior as to capital to the Series 4 Shares. After payment of such amounts, the holders of Series 4 Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

## **ARTICLE 13 WITHHOLDING AND TRANSFER TAXES**

### **13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 4 Shares, including on the redemption, conversion or purchase of the Series 4 Shares. To the extent that any

amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of whom such withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of any shares otherwise deliverable to a holder of Series 4 Shares on the conversion of such Series 4 Shares in order to meet this withholding requirement.

## **13.2 Transfer Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series 3 Shares are issued in connection with the conversion of Series 4 Shares into Series 3 Shares, in respect of the issuance of such Series 3 Shares or the certificate therefore, or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the holder of the Series 4 Shares or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.