



## Certificate of Arrangement

*Canada Business Corporations Act*

## Certificat d'arrangement

*Loi canadienne sur les sociétés par actions*

**CANADIAN UTILITIES LIMITED**

**010577-5**

Corporate name(s) of CBCA applicants / Dénomination(s)  
sociale(s) de la ou des sociétés LCSA requérantes

Corporation number(s) / Numéro(s) de la ou  
des sociétés

I HEREBY CERTIFY that the arrangement set out in the attached articles of arrangement has been effected under section 192 of the *Canada Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans les clauses d'arrangement annexées a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

Hantz Prosper

Director / Directeur

2023-12-15

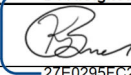
Date of Arrangement (YYYY-MM-DD)  
Date de l'arrangement (AAAA-MM-JJ)

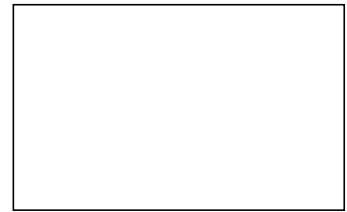


Innovation, Science and  
Economic Development Canada  
Corporations Canada

Innovation, Sciences et  
Développement économique Canada  
Corporations Canada

**Canada Business Corporations Act (CBCA)  
FORM 14.1  
ARTICLES OF ARRANGEMENT  
(Section 192)**

<b>1 - Name of the applicant corporation(s)</b>  CANADIAN UTILITIES LIMITED	<b>Corporation number</b>  010577-5
<b>2 - Name of the corporation(s) the articles of which are amended, if applicable</b>  	<b>Corporation number</b>  
<b>3 - Name of the corporation(s) created by amalgamation, if applicable</b>  	<b>Corporation number</b>  
<b>4 - Name of the dissolved corporation(s), if applicable</b>  	<b>Corporation number</b>  
<b>5 - Name of the other bodies corporate involved, if applicable</b>  	<b>Corporation number or jurisdiction</b>  
<b>6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.</b>  <b>In accordance with the plan of arrangement,</b> <input type="checkbox"/> a. the articles of the corporation(s) indicated in item 2, are amended. If the amendment includes a name change, indicate the change below: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> <input type="checkbox"/> b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number): <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> <input type="checkbox"/> c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>	
<b>7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.</b>	
DocuSigned by: Signature:  27E0295FC2B745E... Print name: <u>Kyle M. Brunner, Senior Vice President, General Counsel &amp; Corporate Secretary</u>	
<b>Note:</b> 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).	



COURT FILE NUMBER 2301-14913  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF SECTION 192 OF THE CANADA  
BUSINESS CORPORATIONS ACT, RSC 1985, C C-44, AS  
AMENDED**

**AND IN THE MATTER OF A PROPOSED  
ARRANGEMENT INVOLVING CANADIAN UTILITIES  
LIMITED**

APPLICANT **CANADIAN UTILITIES LIMITED**

RESPONDENT **NOT APPLICABLE**

DOCUMENT **FINAL ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT  
BLAKE, CASSELS & GRAYDON LLP  
3500, 855 – 2 Street S.W.  
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File: 87872/4

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 15, 2023

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice P. Jeffrey

**LOCATION OF HEARING:** Calgary Courts Centre (via Webex)

**UPON** the Originating Application of Canadian Utilities Limited ("**Canadian Utilities**") filed on November 9, 2023 seeking approval of an arrangement (the "**Arrangement**") pursuant to section 192 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**");

**AND UPON** the Application of Canadian Utilities filed on December 11, 2023 seeking a final order ("**Final Order**") approving the Arrangement (the "**Final Order Application**");

**AND UPON** reviewing the Originating Application, the Final Order Application, the Interim Order of Justice M. Burns pronounced on November 15, 2023 ("**Interim Order**"), the Affidavit of Colin Jackson sworn on November 8, 2023 and its exhibits (the "**Interim Order Affidavit**"), and the Affidavit of Colin Jackson sworn on December 14, 2023 and its exhibits (the "**Final Order Affidavit**");

**AND UPON** being advised that service of notice of the Final Order Application has been effected in accordance with the Interim Order, as well as being served on the Director appointed under section 260 of the CBCA (the "**CBCA Director**");

**AND UPON** being advised that neither the CBCA Director nor any other party has provided notice of intention to appear at the Final Order Application in accordance with the Interim Order;

**AND UPON** being satisfied that the Arrangement was approved by the holders of Canadian Utilities' Class B common shares ("**Class B Share Owners**") at the special meeting held on December 14, 2023 (the "**Meeting**") in accordance with the Interim Order;

**AND UPON** being advised that Canadian Utilities intends to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. *Securities Act of 1933*, as amended, with respect to the Class A non-voting shares to be issued pursuant to the Arrangement, and based on the Court's approval of the Arrangement;

**AND UPON** being satisfied that it would be impractical to effect the Arrangement under any other provision of the CBCA, that Canadian Utilities is not insolvent, that Canadian Utilities has fulfilled all other statutory requirements for the approval of the Arrangement, and that the Arrangement has been put forward in good faith;

**AND UPON** being satisfied that the terms, conditions, and procedures of the Arrangement, are substantively and procedurally fair and reasonable to the Class B Share Owners affected by the Arrangement, as well as to any other persons affected by the Arrangement, and that the Arrangement should be approved;



**AND UPON** hearing from counsel for Canadian Utilities;

**IT IS HEREBY ORDERED THAT:**

1. The time for filing and service of the Final Order Application, the Final Order Affidavit, and all other materials related to the Final Order Application is abridged.
2. Service is deemed good and sufficient with respect to the notice and materials for the Originating Application, the Final Order Application, the Meeting, and the Interim Order.
3. The Arrangement proposed by Canadian Utilities, with the terms set forth in Schedule "1" to this Final Order, is approved by the Court pursuant to section 192 of the CBCA.
4. The terms, conditions, and procedures of the Arrangement are substantively and procedurally fair and reasonable to the Class B Share Owners affected by the Arrangement, as well as to any other persons affected by the Arrangement.
5. The articles of arrangement for the Arrangement (the "**Articles of Arrangement**") shall be filed pursuant to section 192 of the CBCA on a date to be determined by Canadian Utilities in accordance with the terms of the Arrangement. The Arrangement shall, upon the filing of the Articles of Arrangement, become effective and binding in accordance with its terms.
6. All persons who appeared at the hearing of the Final Order Application, either personally or by counsel, shall be served with a copy of this Final Order. Service of this Final Order on any other party is dispensed with.
7. Canadian Utilities may seek leave at any time prior to the filing of the Articles of Arrangement to vary this Final Order or otherwise obtain advice and directions about the implementation of this Final Order.

  
Justice of the Court of King's Bench of Alberta

## Schedule "1" – Plan of Arrangement

### PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

#### ARTICLE 1 INTERPRETATION

- 1.1** In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:
- (a) **"Applicable Laws"** in the context that refers to one or more Persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority having jurisdiction over such Person or Persons or its or their business, undertaking, property or securities;
  - (b) **"Applicable U.S. Securities Laws"** in the context that refers to one or more Persons, means, collectively, and as the context may require, the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time prior to the Effective Date, that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
  - (c) **"Arrangement"**, **"herein"**, **"hereof"**, **"hereunder"** and similar expressions mean and refer to the arrangement pursuant to section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Article 7 or made at the direction of the Court in the Final Order provided that such amendments or variations are acceptable to the Corporation;
  - (d) **"Arrangement Resolution"** means the special resolution approving this Plan of Arrangement to be considered by the Class B Shareholders at the Meeting;
  - (e) **"Articles of Arrangement"** means the articles of arrangement of the Corporation in respect of the Arrangement, required by subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and substance satisfactory to the Corporation;
  - (f) **"Business Day"** means a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;
  - (g) **"CBCA"** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;

- (h) "**Certificate of Arrangement**" means the Certificate of Arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;
- (i) "**Class A Shares**" means the Class A non-voting shares in the capital of the Corporation;
- (j) "**Class B Shareholders**" means the holders of issued and outstanding Class B Shares;
- (k) "**Class B Shares**" means the Class B common shares in the capital of the Corporation;
- (l) "**Consideration**" means 1.1 Class A Shares per Class B Share;
- (m) "**Corporation**" means Canadian Utilities Limited, a corporation existing under the laws of Canada;
- (n) "**Court**" means the Court of King's Bench of Alberta;
- (o) "**Depository**" means such Person as may be appointed by the Corporation for the purpose of receiving deposits of certificates formerly representing Class B Shares in connection with the Arrangement;
- (p) "**Director**" means the Director appointed under section 260 of the CBCA;
- (q) "**Dissent Rights**" means the right of a registered Class B Shareholder (other than the Excluded Class B Shareholders) to dissent with respect to the Arrangement Resolution and to be paid by the Corporation the fair value of the Class B Shares held thereby, granted pursuant to the Interim Order, all in accordance with section 190 of the CBCA (as modified by the Interim Order), the Interim Order and Article 4;
- (r) "**Dissenting Shareholder**" means a registered holder of Class B Shares (other than the Excluded Class B Shareholders) who has duly and validly exercised its Dissent Rights in strict compliance with section 190 of the CBCA, the Interim Order and Article 4, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (s) "**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;
- (t) "**Effective Time**" means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;
- (u) "**Excluded Class B Shareholders**" means, collectively, ATCO Ltd., Sentgraf Enterprises Ltd. and Margaret E Southern Spousal Trust;
- (v) "**Final Order**" means a final order of the Court in a form acceptable to the Corporation in respect of the Arrangement, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, and after

being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended by the Court at any time prior to the Effective Date, provided that such amendment is acceptable to the Corporation or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal, provided that such amendment is acceptable to the Corporation;

- (w) **"Governmental Authority"** means:
- (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
  - (ii) any subdivision, agency, agent or authority of any of the foregoing; or
  - (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including, for greater certainty, the Securities Authorities, the Toronto Stock Exchange, the Alberta Utilities Commission, the Alberta Electric System Operator and any applicable regional reliability entity, electric system operator, public utilities commission, public service commission or equivalent entity;
- (x) **"Interim Order"** means the interim order of the Court in a form acceptable to the Corporation, after being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(c) of the CBCA in respect of the Arrangement, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to the Corporation) by the Court;
- (y) **"Letter of Transmittal"** means the letter of transmittal sent to Class B Shareholders (other than the Excluded Class B Shareholders) to surrender the certificates formerly representing their Class B Shares and receive, on completion of the Arrangement, in exchange for each such Class B Share, the Consideration, subject to adjustment for fractional shares as set forth in Section 5.9 hereof;
- (z) **"Liens"** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third-party interests or encumbrances of any kind, whether contingent or absolute, and any agreement, options, rights or privileges (whether by Applicable Law, contract or otherwise) capable of becoming any of the foregoing;
- (aa) **"Meeting"** means the special meeting of Class B Shareholders to consider the Arrangement Resolution and related matters, and any adjournments or postponements thereof;

- (bb) "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
  - (cc) "**Plan of Arrangement**" means this plan of arrangement under section 192 of the CBCA, and any amendments or variations made in accordance with Article 7 or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Corporation;
  - (dd) "**SEC**" means the United States Securities and Exchange Commission;
  - (ee) "**Securities Authorities**" means, collectively, the Alberta Securities Commission, the SEC, and the applicable securities commissions or similar securities regulatory authority of a province, state or territory of Canada or the United States;
  - (ff) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.); and
  - (gg) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.
- 1.2** The division of this Plan of Arrangement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3** Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.
- 1.4** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5** In the event that the date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- 1.6** Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.
- 1.7** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8** The words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

**ARTICLE 2  
EFFECT OF THE ARRANGEMENT**

- 2.1** This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on the Corporation, all registered and beneficial Class B Shareholders (including Dissenting Shareholders) and all other Persons, all without any further act or formality required on the part of any Person.
- 2.2** The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

**ARTICLE 3  
ARRANGEMENT**

- 3.1** Commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality:
- (a) each Class B Share held by a Dissenting Shareholder shall be deemed to be, without any further act or formality by the applicable Dissenting Shareholder, transferred to the Corporation (free and clear of all Liens) and cancelled, and:
    - (i) the Dissenting Shareholders shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to be paid fair value for their Class B Shares as set out in Article 4; and
    - (ii) the Dissenting Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation.
  - (b) each issued and outstanding Class B Share (other than Class B Shares held by the Excluded Class B Shareholders (which, for greater certainty, shall not be affected by the Arrangement and shall remain outstanding following the completion of the Arrangement) and other than Class B Shares held by Dissenting Shareholders) shall be and shall be deemed to be, without any further act or formality by or on behalf of the applicable Class B Shareholder, transferred to the Corporation (free and clear of all Liens) and cancelled, in exchange for the Consideration, and upon such exchange:
    - (i) the holders of such Class B Shares shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to receive the Consideration for each such Class B Share in accordance with this Plan of Arrangement;
    - (ii) such Class B Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation;

- (iii) for each Class B Share transferred to the Corporation, the Corporation shall allot and issue to the holder thereof the Consideration, as fully paid and non-assessable Class A Shares, and the name of such holder shall be added to the registers of Class A Shares maintained by or on behalf of the Corporation; and
- (iv) the amount added to the stated capital of the Class A Shares as a result of the aforementioned issuance shall be an amount equal to the paid-up capital (for purposes of the Tax Act) of the Class B Shares transferred to the Corporation on the exchange.

**3.2** Notwithstanding any provision herein to the contrary, the Corporation acknowledges and agrees that this Plan of Arrangement will be carried out with the intention that all Class A Shares issued on completion of this Plan of Arrangement will be issued by the Corporation in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof, and pursuant to exemptions from registration under any other Applicable U.S. Securities Laws.

#### **ARTICLE 4 DISSENTING SHAREHOLDERS**

**4.1** Each registered Class B Shareholder may exercise Dissent Rights with respect to the Class B Shares held thereby pursuant to and in the manner set forth in section 190 of the CBCA, as modified by the Interim Order and this Article 4. Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Class B Shares held thereby to the Corporation (free and clear of all Liens) for cancellation as provided in Section 3.1(a) and if they:

- (a) are ultimately entitled to be paid fair value for their Class B Shares shall: (i) be deemed not to have participated in the transactions in Section 3.1, other than the transaction in Subsection 3.1(a); (ii) be entitled to be paid an amount equal to such fair value by the Corporation; and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Class B Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Class B Shares.

**4.2** The fair value of the Class B Shares for the purposes of Subsection 4.1(a) shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Class B Shareholders.

**4.3** In no event shall the Corporation be required to recognize any Dissenting Shareholder as a Class B Shareholder after the Effective Time.

- 4.4** For greater certainty, in addition to any other restrictions in section 190 of the CBCA, the following Persons shall not be entitled to exercise Dissent Rights: (i) any Person who has voted (including by way of instructing a proxy holder to vote) their Class B Shares in favour of the Arrangement Resolution; and (ii) the Excluded Class B Shareholders. In addition, a Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Class B Shares.
- 4.5** Notwithstanding subsection 190(5) of the CBCA, the written notice setting forth such registered Class B Shareholder's objection to the Arrangement Resolution must be received by the Corporation in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the third Business Day immediately prior to the date of the Meeting.

## **ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SHARES**

### **5.1 Deposit of Consideration**

Prior to the Effective Time, the Corporation shall issue and deliver to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent for the Class A Shares, to issue certificates representing, in aggregate, the number of Class A Shares to which the applicable Class B Shareholders are entitled in accordance with the terms of the Arrangement.

### **5.2 Delivery of Consideration by Depositary**

Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Class B Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Class B Shareholder in whose name such surrendered certificate(s) were registered shall be entitled to receive, in exchange therefor, and the Depositary shall deliver, promptly following the Effective Time, to such holder, certificates representing the Class A Shares which such holder has the right to receive under this Plan of Arrangement for such Class B Shares, less any amounts withheld pursuant to Article 6, and any certificates so surrendered shall forthwith be cancelled. Such certificates shall, if elected by the Class B Shareholder in the Letter of Transmittal, be held for pick-up at the offices of the Depositary and, in the absence of such election, shall be forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the Letter of Transmittal or, if no address has been specified therein, at the address specified for that particular Class B Shareholder in the register of Class B Shareholders. Certificates mailed pursuant to the foregoing will be deemed to have been delivered at the time of delivery thereof to the post office.



### **5.3 Rights of Holders**

Until deposited with the Depositary in accordance with Section 5.2, each certificate that immediately prior to the Effective Time represented Class B Shares shall be deemed after the Effective Time to represent only the right to receive, upon such deposit, the aggregate Class A Shares to which such former holder of Class B Shares is entitled under the Arrangement, or as to those certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Subsection 4.1(b), the right to receive the fair value of the Class B Shares represented by such certificates as set out in Article 4.

### **5.4 Registration of Class A Shares**

The Depositary shall register Class A Shares in the name of each Class B Shareholder entitled thereto or as otherwise instructed in the Letter of Transmittal deposited by such Class B Shareholder as of the Effective Date and shall deliver certificates representing such Class A Shares in accordance with Section 5.2.

### **5.5 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented an interest in outstanding Class B Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the Consideration to which the holder is entitled pursuant to the Arrangement, as determined in accordance with the Arrangement. The Person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond to the Corporation and its transfer agent in form and substance satisfactory to the Corporation and its transfer agent, or otherwise indemnify the Corporation and its transfer agent, to the reasonable satisfaction of such Persons, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

### **5.6 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to Class A Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Class B Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.2 or Section 5.5, as applicable. Subject to Applicable Law, and to the extent applicable, at the time of such compliance, there shall, in addition to the delivery of a certificate representing any Class A Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Class A Shares.

## **5.7 Book-Based Registrations**

For the purposes of this Article 5, any reference to a "certificate" shall include evidence of registered ownership of Class B Shares or Class A Shares, as applicable, in an electronic book-based system maintained by the registrar and transfer agent of the Class B Shares or Class A Shares, as applicable, and the provisions of this Article 5 shall be read and construed (and where applicable, modified) to give effect to such interpretation.

## **5.8 Termination of Rights**

Subject to Applicable Laws relating to unclaimed property, any certificate formerly representing Class B Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of, or a claim by, any former Class B Shareholder of any kind or nature against the Corporation. On such date, the Class A Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered and forfeited to the Corporation, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such Class A Shares shall thereupon terminate and be cancelled and the name of the former registered holder shall be removed from the register of holders of such Class A Shares.

## **5.9 Fractional Shares**

No certificates representing fractional Class A Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 5.2 and no dividend, stock split or other change in the capital structure of the Corporation shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of the Corporation. The Corporation shall deposit with the Depositary the fractional Class A Shares issuable pursuant to the Arrangement for the benefit of the holders of such fractional Class A Shares. Each Person otherwise entitled to a fractional interest in a Class A Share will be entitled to receive a cash payment equal to such Person's pro rata allocation of the net proceeds, after brokerage commissions and expenses, received by the Depositary upon the sale, on behalf of all such Persons, of whole Class A Shares representing an accumulation of all such fractional interests in Class A Shares, without any interest thereon. The Depositary will facilitate the sale of such Class A Shares on the Toronto Stock Exchange as soon as reasonably practicable following the Effective Date. The aggregate net proceeds, after brokerage commissions and expenses, of such sale will be distributed by the Depositary, pro rata in relation to their respective fractions, among Persons otherwise entitled to receive fractional interests in Class A Shares pursuant to the Arrangement, without any interest thereon. In effecting the sale of any such Class A Shares, the Depositary will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the Depositary will be liable for any loss arising out of any such sale of Class A Shares.

## **ARTICLE 6 WITHHOLDINGS**

- 6.1** The Corporation and the Depositary shall be entitled to deduct and withhold from any consideration or amount otherwise payable to any former Class B Shareholder under this Plan of Arrangement, including from any amount payable to any Dissenting Shareholder or any dividend or other distribution payable pursuant to Section 5.6, as the case may be, such amounts as the Corporation or the Depositary is required to deduct and withhold from such consideration or amount in accordance with the Tax Act, the United States *Internal Revenue Code of 1986*, as amended, or any other provision of any Applicable Laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the former Class B Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. The Corporation and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the Class A Shares otherwise issuable to the holder as is necessary to provide sufficient funds to the Corporation or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and the Corporation or the Depositary shall notify the holder thereof and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority and shall remit to such holder any unapplied balance of the proceeds of such sale (after deducting applicable sale commissions and any other reasonable expenses relating thereto). To the extent that Class A Shares are so sold or disposed of, such withheld amounts, or such shares so sold or disposed of, shall be treated for all purposes as having been issued to the holder in respect of which such sale or disposition was made, provided that such net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. The Corporation and the Depositary shall not be obligated to seek or obtain a minimum price for any Class A Shares sold or disposed of by it hereunder, nor shall the Corporation or the Depositary be liable for any loss arising out of any such sale or disposition.

## **ARTICLE 7 AMENDMENTS**

- 7.1** The Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to the Class B Shareholders if and as required by the Court.
- 7.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 7.3** To the extent required by the Court, any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Class B Shareholders, voting in the manner directed by the Court.

- 7.4** Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date without filing such amendment, modification or supplement with the Court or seeking Court approval provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.
- 7.5** To the extent any provision of this Plan of Arrangement is deemed to be inconsistent with Applicable Laws, this Plan of Arrangement shall automatically be adjusted to remove such inconsistency.

# PLAN OF ARRANGEMENT

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## PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

### ARTICLE 1 INTERPRETATION

- 1.1 In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:
- (a) "**Applicable Laws**" in the context that refers to one or more Persons, means any domestic or foreign, national, federal, state, provincial, municipal, regional or local law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated, or applied by a Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority having jurisdiction over such Person or Persons or its or their business, undertaking, property or securities;
  - (b) "**Applicable U.S. Securities Laws**" in the context that refers to one or more Persons, means, collectively, and as the context may require, the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time prior to the Effective Date, that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
  - (c) "**Arrangement**", "**herein**", "**hereof**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Article 7 or made at the direction of the Court in the Final Order provided that such amendments or variations are acceptable to the Corporation;
  - (d) "**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered by the Class B Shareholders at the Meeting;
  - (e) "**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and substance satisfactory to the Corporation;
  - (f) "**Business Day**" means a day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;
  - (g) "**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;
  - (h) "**Certificate of Arrangement**" means the Certificate of Arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;
  - (i) "**Class A Shares**" means the Class A non-voting shares in the capital of the Corporation;
  - (j) "**Class B Shareholders**" means the holders of issued and outstanding Class B Shares;
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- (k) "**Class B Shares**" means the Class B common shares in the capital of the Corporation;
  - (l) "**Consideration**" means 1.1 Class A Shares per Class B Share;
  - (m) "**Corporation**" means Canadian Utilities Limited, a corporation existing under the laws of Canada;
  - (n) "**Court**" means the Court of King's Bench of Alberta;
  - (o) "**Depository**" means such Person as may be appointed by the Corporation for the purpose of receiving deposits of certificates formerly representing Class B Shares in connection with the Arrangement;
  - (p) "**Director**" means the Director appointed under section 260 of the CBCA;
  - (q) "**Dissent Rights**" means the right of a registered Class B Shareholder (other than the Excluded Class B Shareholders) to dissent with respect to the Arrangement Resolution and to be paid by the Corporation the fair value of the Class B Shares held thereby, granted pursuant to the Interim Order, all in accordance with section 190 of the CBCA (as modified by the Interim Order), the Interim Order and Article 4;
  - (r) "**Dissenting Shareholder**" means a registered holder of Class B Shares (other than the Excluded Class B Shareholders) who has duly and validly exercised its Dissent Rights in strict compliance with section 190 of the CBCA, the Interim Order and Article 4, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
  - (s) "**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;
  - (t) "**Effective Time**" means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;
  - (u) "**Excluded Class B Shareholders**" means, collectively, ATCO Ltd., Sentgraf Enterprises Ltd. and Margaret E Southern Spousal Trust;
  - (a) "**Final Order**" means a final order of the Court in a form acceptable to the Corporation in respect of the Arrangement, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, and after being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended by the Court at any time prior to the Effective Date, provided that such amendment is acceptable to the Corporation or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal, provided that such amendment is acceptable to the Corporation;
  - (b) "**Governmental Authority**" means:
    - (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
    - (ii) any subdivision, agency, agent or authority of any of the foregoing; or
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- (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including, for greater certainty, the Securities Authorities, the Toronto Stock Exchange, the Alberta Utilities Commission, the Alberta Electric System Operator and any applicable regional reliability entity, electric system operator, public utilities commission, public service commission or equivalent entity;
- (c) "**Interim Order**" means the interim order of the Court in a form acceptable to the Corporation, after being informed of the intention of the Corporation to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Class A Shares to be issued pursuant to the Arrangement, pursuant to subsection 192(4)(c) of the CBCA in respect of the Arrangement, as such order may be affirmed, amended or modified (provided that such amendments or modifications are acceptable to the Corporation) by the Court;
- (d) "**Letter of Transmittal**" means the letter of transmittal sent to Class B Shareholders (other than the Excluded Class B Shareholders) to surrender the certificates formerly representing their Class B Shares and receive, on completion of the Arrangement, in exchange for each such Class B Share, the Consideration, subject to adjustment for fractional shares as set forth in Section 5.9 hereof;
- (e) "**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third-party interests or encumbrances of any kind, whether contingent or absolute, and any agreement, options, rights or privileges (whether by Applicable Law, contract or otherwise) capable of becoming any of the foregoing;
- (f) "**Meeting**" means the special meeting of Class B Shareholders to consider the Arrangement Resolution and related matters, and any adjournments or postponements thereof;
- (g) "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Authority) or any other entity, whether or not having legal status;
- (h) "**Plan of Arrangement**" means this plan of arrangement under section 192 of the CBCA, and any amendments or variations made in accordance with Article 7 or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to the Corporation;
- (i) "**SEC**" means the United States Securities and Exchange Commission;
- (j) "**Securities Authorities**" means, collectively, the Alberta Securities Commission, the SEC, and the applicable securities commissions or similar securities regulatory authority of a province, state or territory of Canada or the United States;
- (k) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.); and
- (l) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended.

**1.2** The division of this Plan of Arrangement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

**1.3** Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.

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- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- 1.6 Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.
- 1.7 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 The words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

## **ARTICLE 2 EFFECT OF THE ARRANGEMENT**

- 2.1 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective on, and be binding on and after, the Effective Time on the Corporation, all registered and beneficial Class B Shareholders (including Dissenting Shareholders) and all other Persons, all without any further act or formality required on the part of any Person.
- 2.2 The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

## **ARTICLE 3 ARRANGEMENT**

- 3.1 Commencing at the Effective Time, each of the events and transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality:
- (a) each Class B Share held by a Dissenting Shareholder shall be deemed to be, without any further act or formality by the applicable Dissenting Shareholder, transferred to the Corporation (free and clear of all Liens) and cancelled, and:
    - (i) the Dissenting Shareholders shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to be paid fair value for their Class B Shares as set out in Article 4; and
    - (ii) the Dissenting Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation.
  - (b) each issued and outstanding Class B Share (other than Class B Shares held by the Excluded Class B Shareholders (which, for greater certainty, shall not be affected by the Arrangement and shall remain outstanding following the completion of the Arrangement) and other than Class B Shares held by Dissenting Shareholders) shall be and shall be deemed to be, without any further act or formality by or on behalf of the applicable Class B Shareholder, transferred to the Corporation (free and clear of all Liens) and cancelled, in exchange for the Consideration, and upon such exchange:
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- (i) the holders of such Class B Shares shall cease to be holders of Class B Shares and to have any rights as holders of Class B Shares other than the right to receive the Consideration for each such Class B Share in accordance with this Plan of Arrangement;
- (ii) such Class B Shareholders' names shall be removed from the registers of Class B Shares maintained by or on behalf of the Corporation;
- (iii) for each Class B Share transferred to the Corporation, the Corporation shall allot and issue to the holder thereof the Consideration, as fully paid and non-assessable Class A Shares, and the name of such holder shall be added to the registers of Class A Shares maintained by or on behalf of the Corporation; and
- (iv) the amount added to the stated capital of the Class A Shares as a result of the aforementioned issuance shall be an amount equal to the paid-up capital (for purposes of the Tax Act) of the Class B Shares transferred to the Corporation on the exchange.

**3.2** Notwithstanding any provision herein to the contrary, the Corporation acknowledges and agrees that this Plan of Arrangement will be carried out with the intention that all Class A Shares issued on completion of this Plan of Arrangement will be issued by the Corporation in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof, and pursuant to exemptions from registration under any other Applicable U.S. Securities Laws.

#### **ARTICLE 4 DISSENTING SHAREHOLDERS**

**4.1** Each registered Class B Shareholder may exercise Dissent Rights with respect to the Class B Shares held thereby pursuant to and in the manner set forth in section 190 of the CBCA, as modified by the Interim Order and this Article 4. Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Class B Shares held thereby to the Corporation (free and clear of all Liens) for cancellation as provided in Section 3.1(a) and if they:

- (a) are ultimately entitled to be paid fair value for their Class B Shares shall: (i) be deemed not to have participated in the transactions in Section 3.1, other than the transaction in Subsection 3.1(a); (ii) be entitled to be paid an amount equal to such fair value by the Corporation; and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Class B Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Class B Shares.

**4.2** The fair value of the Class B Shares for the purposes of Subsection 4.1(a) shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Class B Shareholders.

**4.3** In no event shall the Corporation be required to recognize any Dissenting Shareholder as a Class B Shareholder after the Effective Time.

**4.4** For greater certainty, in addition to any other restrictions in section 190 of the CBCA, the following Persons shall not be entitled to exercise Dissent Rights: (i) any Person who has voted (including by way of instructing a proxy holder to vote) their Class B Shares in favour of the Arrangement Resolution; and (ii) the Excluded Class B Shareholders. In addition, a Dissenting Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of its Class B Shares.

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- 4.5** Notwithstanding subsection 190(5) of the CBCA, the written notice setting forth such registered Class B Shareholder's objection to the Arrangement Resolution must be received by the Corporation in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the third Business Day immediately prior to the date of the Meeting.

## **ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SHARES**

### **5.1 Deposit of Consideration**

Prior to the Effective Time, the Corporation shall issue and deliver to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent for the Class A Shares, to issue certificates representing, in aggregate, the number of Class A Shares to which the applicable Class B Shareholders are entitled in accordance with the terms of the Arrangement.

### **5.2 Delivery of Consideration by Depositary**

Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Class B Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Class B Shareholder in whose name such surrendered certificate(s) were registered shall be entitled to receive, in exchange therefor, and the Depositary shall deliver, promptly following the Effective Time, to such holder, certificates representing the Class A Shares which such holder has the right to receive under this Plan of Arrangement for such Class B Shares, less any amounts withheld pursuant to Article 6, and any certificates so surrendered shall forthwith be cancelled. Such certificates shall, if elected by the Class B Shareholder in the Letter of Transmittal, be held for pick-up at the offices of the Depositary and, in the absence of such election, shall be forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the Letter of Transmittal or, if no address has been specified therein, at the address specified for that particular Class B Shareholder in the register of Class B Shareholders. Certificates mailed pursuant to the foregoing will be deemed to have been delivered at the time of delivery thereof to the post office.

### **5.3 Rights of Holders**

Until deposited with the Depositary in accordance with Section 5.2, each certificate that immediately prior to the Effective Time represented Class B Shares shall be deemed after the Effective Time to represent only the right to receive, upon such deposit, the aggregate Class A Shares to which such former holder of Class B Shares is entitled under the Arrangement, or as to those certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Subsection 4.1(b), the right to receive the fair value of the Class B Shares represented by such certificates as set out in Article 4.

### **5.4 Registration of Class A Shares**

The Depositary shall register Class A Shares in the name of each Class B Shareholder entitled thereto or as otherwise instructed in the Letter of Transmittal deposited by such Class B Shareholder as of the Effective Date and shall deliver certificates representing such Class A Shares in accordance with Section 5.2.

### **5.5 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented an interest in outstanding Class B Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed

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certificate the Consideration to which the holder is entitled pursuant to the Arrangement, as determined in accordance with the Arrangement. The Person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond to the Corporation and its transfer agent in form and substance satisfactory to the Corporation and its transfer agent, or otherwise indemnify the Corporation and its transfer agent, to the reasonable satisfaction of such Persons, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **5.6 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to Class A Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Class B Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.2 or Section 5.5, as applicable. Subject to Applicable Law, and to the extent applicable, at the time of such compliance, there shall, in addition to the delivery of a certificate representing any Class A Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Class A Shares.

#### **5.7 Book-Based Registrations**

For the purposes of this Article 5, any reference to a "certificate" shall include evidence of registered ownership of Class B Shares or Class A Shares, as applicable, in an electronic book-based system maintained by the registrar and transfer agent of the Class B Shares or Class A Shares, as applicable, and the provisions of this Article 5 shall be read and construed (and where applicable, modified) to give effect to such interpretation.

#### **5.8 Termination of Rights**

Subject to Applicable Laws relating to unclaimed property, any certificate formerly representing Class B Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a right or interest of, or a claim by, any former Class B Shareholder of any kind or nature against the Corporation. On such date, the Class A Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered and forfeited to the Corporation, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such Class A Shares shall thereupon terminate and be cancelled and the name of the former registered holder shall be removed from the register of holders of such Class A Shares.

#### **5.9 Fractional Shares**

No certificates representing fractional Class A Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 5.2 and no dividend, stock split or other change in the capital structure of the Corporation shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of the Corporation. The Corporation shall deposit with the Depositary the fractional Class A Shares issuable pursuant to the Arrangement for the benefit of the holders of such fractional Class A Shares. Each Person otherwise entitled to a fractional interest in a Class A Share will be entitled to receive a cash payment equal to such Person's pro rata allocation of the net proceeds, after brokerage commissions and expenses, received by the Depositary upon the sale, on behalf of all such Persons, of whole Class A Shares representing an accumulation of all such fractional interests in Class A Shares, without any interest thereon. The Depositary will facilitate the sale of such Class A Shares on the Toronto Stock Exchange as soon as reasonably practicable following the Effective Date. The aggregate net proceeds, after brokerage commissions and expenses, of such sale will be distributed by the Depositary, pro rata in relation to their respective fractions, among Persons otherwise entitled to receive

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fractional interests in Class A Shares pursuant to the Arrangement, without any interest thereon. In effecting the sale of any such Class A Shares, the Depositary will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the Depositary will be liable for any loss arising out of any such sale of Class A Shares.

## **ARTICLE 6 WITHHOLDINGS**

- 6.1** The Corporation and the Depositary shall be entitled to deduct and withhold from any consideration or amount otherwise payable to any former Class B Shareholder under this Plan of Arrangement, including from any amount payable to any Dissenting Shareholder or any dividend or other distribution payable pursuant to Section 5.6, as the case may be, such amounts as the Corporation or the Depositary is required to deduct and withhold from such consideration or amount in accordance with the Tax Act, the United States *Internal Revenue Code of 1986*, as amended, or any other provision of any Applicable Laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the former Class B Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. The Corporation and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the Class A Shares otherwise issuable to the holder as is necessary to provide sufficient funds to the Corporation or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and the Corporation or the Depositary shall notify the holder thereof and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority and shall remit to such holder any unapplied balance of the proceeds of such sale (after deducting applicable sale commissions and any other reasonable expenses relating thereto). To the extent that Class A Shares are so sold or disposed of, such withheld amounts, or such shares so sold or disposed of, shall be treated for all purposes as having been issued to the holder in respect of which such sale or disposition was made, provided that such net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. The Corporation and the Depositary shall not be obligated to seek or obtain a minimum price for any Class A Shares sold or disposed of by it hereunder, nor shall the Corporation or the Depositary be liable for any loss arising out of any such sale or disposition.

## **ARTICLE 7 AMENDMENTS**

- 7.1** The Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to the Class B Shareholders if and as required by the Court.
- 7.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 7.3** To the extent required by the Court, any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Class B Shareholders, voting in the manner directed by the Court.
- 7.4** Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date without filing such amendment, modification or supplement with the Court or seeking Court approval provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.
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**7.5** To the extent any provision of this Plan of Arrangement is deemed to be inconsistent with Applicable Laws, this Plan of Arrangement shall automatically be adjusted to remove such inconsistency.





**Restated Certificate  
of Incorporation**

**Canada Business  
Corporations Act**

**Certificat  
de constitution à jour**

**Loi canadienne sur  
les sociétés par actions**

CANADIAN UTILITIES LIMITED

010577-5

\_\_\_\_\_  
Name of corporation-Dénomination de la société

\_\_\_\_\_  
Corporation number-Numéro de la société

I hereby certify that the articles of incorporation of the above-named corporation were restated under section 180 of the *Canada Business Corporations Act* as set out in the attached restated articles of incorporation.

Je certifie que les statuts constitutifs de la société susmentionnée ont été mis à jour en vertu de l'article 180 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les statuts mis à jour ci-joints.

Director - Directeur

**December 8, 2004 / le 8 décembre 2004**

Effective Date of Restatement -  
Date d'entrée en vigueur de la mise à jour



Corporations Act  
Industry Canada

Industrie Canada

Canada Business

Loi canadienne sur les  
sociétés par actions

FORM 7  
RESTATED ARTICLES OF  
INCORPORATION (SECTION 180)

FORMULE 7  
STATUTS CONSTITUTIFS  
MIS A JOUR (ARTICLE 180)

1 -- Name of the Corporation - Dénomination de la société

**CANADIAN UTILITIES LIMITED**

Corporation No. - No de la société

**0105775**

2 -- The province or territory in Canada where the registered office is situated

Alberta

La province ou le territoire au Canada où est situé le siège social

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

Catégories et le nombre maximal d'actions que la société est autorisée à émettre

The attached Schedule of Share Capital is incorporated into and forms part of this form.

4 -- Restrictions, if any, on share transfers

None.

Restrictions sur le transfert des actions, s'il y a lieu

5 -- Number (or minimum and maximum number) of directors

Not less than 5 directors and not more than 18 directors.

Nombre (ou nombre minimal et maximal) d'administrateurs

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

None.

Limites imposées à l'activité commerciale de la société, s'il y a lieu

7 -- Other provisions, if any

The attached Schedule of Other Provisions is incorporated into and forms part of this form.

Autres dispositions, s'il y a lieu

These restated articles of incorporation correctly set out, without substantive change, the corresponding provisions of the articles of incorporation as amended and supersede the original articles of incorporation

Cette mise à jour des statuts constitutifs démontre exactement, sans changement substantiel, les dispositions correspondantes des statuts constitutifs modifiés qui remplacent les statuts constitutifs originaux.

Signature	Printed Name - Nom en lettres moulées	8.—Capacity of - En qualité de	9. Tel. No. - No de tél.
	P. Spruin	Assistant Corporate Secretary	(403) 292-7429

FOR DEPARTMENTAL USE ONLY - A L'USAGE DU MINISTÈRE SEULEMENT

**DEC 14 2004**

IC 3167 (2003/08)

**Canada**

## SCHEDULE OF SHARE CAPITAL

The shares which the Corporation is authorized to issue are:

(A) (1) An unlimited number of common shares without nominal or par value, designated the "Class A non-voting shares", which, except as otherwise provided herein, shall rank equally in all respects with the Class B common shares. The holders of the Class A non-voting shares:

- (a) are entitled to receive notice of, to attend and participate in discussions at meetings of shareholders but are not, except where otherwise expressly required by law, entitled to vote at meetings of shareholders;
- (b) are entitled, in certain circumstances, to exchange their Class A non-voting shares for Class B common shares as hereinafter specified:

(i) where a take-over bid is made by way of agreement between a person or group of persons (the "offeror") desiring to acquire Class B common shares of the Corporation and fewer than 15 holders of the Class B common shares of the Corporation, in circumstances where the offeror will in result own, together with the offeror's previously owned Class B common shares, but disregarding any Class A non-voting shares tendered in exchange as hereinafter provided, more than 50% of the outstanding Class B common shares, but not pursuant to an offer to holders of the Class B common shares generally, and the take-over bid must (by reason of the applicable securities legislation of any jurisdiction in Canada or the by-laws, regulations or policies of any stock exchange on which the Class B common shares are listed) be extended to the holders of all other Class B common shares of the Corporation, a holder of Class A non-voting shares shall have the right to exchange all but not less than all of such shares held by it, on a one-for-one basis, for Class B common shares of the Corporation. The right to exchange shall arise as soon as the offeror so extends the take-over bid (such extended bid being herein referred to as the "follow-up bid") and the holders of the Class A non-voting shares shall have until the last day the offer is open in connection with the follow-up bid for the Class B common shares to avail themselves of the right to exchange Class A non-voting shares. If the take-over bid is not completed, because the agreement made by the offeror referred to in this paragraph (i) of this subsection (1)(b) is not concluded or is terminated, or for any other reason whatsoever, any person who tendered certificates representing Class A non-voting shares shall be required to take back the certificates representing Class A non-voting shares tendered by such holder, the right to exchange shall be deemed never to have existed and the holder will have no right, in the circumstances of the said take-over bid made by the offeror, to receive Class B common shares of the Corporation,

(ii) where a take-over bid is made for Class B common shares of the Corporation, in circumstances where the offeror will in result own, together with the offeror's previously owned Class B common shares, but disregarding any Class A non-voting shares tendered in exchange as hereinafter provided, more than 50% of the Class B common shares, a holder of Class A non-voting shares shall have the right to exchange all but not less than all of such shares held by it, on a one-for-one basis, for Class B common shares of the Corporation. The right to exchange shall arise as soon as a take-over bid is made and the holders of the Class A non-voting shares shall have until the last day the offer is open in connection with the take-over bid for the Class B common shares to avail themselves of the right to exchange Class A non-voting shares. The provisions of this paragraph (ii) of this subsection 1(b) shall apply whether a take-over bid is made through the facilities of a stock exchange on which the Class B common shares are listed, or otherwise. If, however; the offeror does not after making the take-over bid own, or become entitled to own, a number of Class B common shares amounting to more than 50% of the Class B common shares (disregarding any Class A non-voting shares tendered in exchange as herein provided), any person who tendered certificates representing Class A non-voting shares shall be required to take back the certificates representing Class A non-voting shares tendered by such holder, the right to exchange shall be deemed never to have existed and the holder will have no right, in the circumstances of the said take-over bid made by the offeror, to receive Class B common shares of the Corporation,

(iii) notwithstanding anything contained in paragraph (ii) of this subsection (1)(b), where an offeror has made a take-over bid for less than all of the outstanding Class B common shares of the Corporation and a holder of Class A non-voting shares has duly tendered for exchange all but not less than all of such shares held by it, the holder shall only be entitled to accept the take-over bid in respect of a rateable number of Class A non-voting shares, having regard to the aggregate of the number of such shares tendered by all holders thereof, the number of Class B common shares tendered by all



holders thereof and the percentage of the Class B common shares for which the take-over bid has been made,

(iv) notwithstanding anything contained in this subsection (1)(b), none of the rights afforded to the holders of Class A non-voting shares and none of the foregoing provisions shall apply to the case where a take-over bid is made by an offeror who, immediately prior to the making of the take-over bid, already had control of the Corporation. For the purposes hereof, where an offeror held, immediately prior to making such take-over bid, a number of Class B common shares amounting to more than 50% of the then issued and outstanding Class B common shares, it shall be deemed to have had control of the Corporation at that time,

(v) the expression "take-over bid" means, for the purposes of this subsection (1)(b),:

(I) an offer made to holders of the Class B common shares of the Corporation to purchase, directly or indirectly, Class B common shares of the Corporation,

(II) the acceptance by a person of an offer to sell Class B common shares of the Corporation and such acceptance shall be deemed to constitute an offer to purchase and the person accepting the offer shall be deemed to be an offeror, or

(III) a combination of an offer to purchase referred to in clause (I) of this paragraph (v) and an acceptance of an offer to sell referred to in clause (II) of this paragraph (v),

where the Class B common shares which are the subject of the offer to purchase, the acceptance of the offer to sell or the combination thereof, as the case may be, together with the offeror's previously owned Class B common shares will in the aggregate exceed 10% of the outstanding Class B common shares of the Corporation and where two or more persons make or accept offers jointly or in concert or intending to exercise jointly or in concert any voting rights attaching to the Class B common shares to be acquired, then the Class B common shares owned by each of them shall be included in the calculation of the percentage of the outstanding Class B common shares of the Corporation owned by them.

The Corporation shall, as soon as it is in receipt of a take-over bid circular or other materials emanating from an offeror and relating to a take-over bid of the type giving rise to a right of exchange hereunder, send a statement to each of the holders of Class A non-voting shares describing the rights afforded to such holders as set forth in this subsection (1)(b),

(vi) upon it being established that ATCO Ltd. no longer owns or controls, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B common shares of the Corporation, as such shares are constituted on the date the Class A non-voting shares and Class B common shares of the Corporation are created. A holder of Class A non-voting shares shall have the right to exchange any or all of such shares held by it, on a one-for-one basis, for Class B common shares. The Corporation shall, as soon as it is established that ATCO Ltd. no longer owns or controls, directly or indirectly, more than 10,000,000 of the issued and outstanding Class B common shares of the Corporation, send a statement to each of the holders of Class A non-voting shares describing the rights afforded to such holders as set out in this paragraph (vi) of this subsection (1)(b) and thereafter such holders shall have 60 days within which to elect by notice in writing given to the transfer agent of the Corporation to exchange their Class A non-voting shares for Class B common shares. Any holder who has not given notice of its intention to exchange its shares within such 60 day period shall be deemed to have elected not to exchange its Class A non-voting shares for Class B common shares and its right to so exchange pursuant to this paragraph (vi) of this subsection (1)(b) shall be extinguished, and

(vii) the rights of exchange provided in this subsection (1)(b) shall be exercised by notice in writing given to the transfer agent of the Corporation accompanied by the certificate or certificates representing the Class A non-voting shares in respect of which the holder thereof is electing to exercise such right of exchange and such notice shall be signed by the person registered on the books of the Corporation as the holder of the Class A non-voting shares in respect of which such right is being exercised, or by such holder's duly authorized attorney, and shall specify the number of Class A non-voting shares which the holder has elected to have exchanged. The holder shall also pay any

governmental or other tax or charge imposed in respect of such transaction. Where the written notice of election to exchange is given pursuant to the right of exchange set out in paragraph (i) or (ii) of this subsection (1)(b), upon receipt of such notice the transfer agent of the Corporation shall cause the certificate or certificates to be endorsed with a statement to the effect that the holder of the Class A non-voting shares represented thereby has elected, subject to perfection of the right of exchange by completion of the take-over bid giving rise to such right of exchange, to exchange the Class A non-voting shares represented thereby for Class B common shares. If the right of exchange is perfected, the transfer agent of the Corporation shall, upon surrender of the Class A non-voting share certificate or certificates endorsed as aforesaid, issue a certificate or certificates representing fully paid Class B common shares upon the prescribed basis and in accordance with the provisions hereof for the shares comprised in such endorsed Class A non-voting share certificate or certificates. Where the written notice of election to exchange is given pursuant to the right of exchange set out in paragraph (vi) of this subsection (1)(b), upon receipt of such notice the transfer agent of the Corporation shall issue a certificate or certificates representing fully paid Class B common shares upon the prescribed basis and in accordance with the provisions hereof to the holder of the Class A non-voting shares represented by the certificate or certificates accompanying such notice. If less than all the Class A non-voting shares represented by any certificate or certificates are to be exchanged, the holder shall be entitled to receive a new certificate for the Class A non-voting shares representing the shares comprised in the original certificate or certificates which are not to be exchanged; and

(c) are, subject to the rights, privileges, restrictions and conditions attaching to the preferred shares of the Corporation, entitled to share equally, share for share, with the holders of the Class B common shares in all dividends declared by the Corporation on common shares and to receive, *pari passu* with the holders of the Class B common shares of the Corporation, the remaining property of the Corporation upon dissolution.

(2) An unlimited number of common shares without nominal or par value, designated the "Class B common shares", which, except as otherwise provided herein, shall rank equally in all respects with the Class A non-voting shares. The holders of the Class B common shares are entitled:

(a) to vote at all meetings of shareholders, except meetings at which only holders of another specified class or series-of shares are entitled to vote;

(b) to exchange each Class B common share held for 1 Class A non-voting share. The exchange privilege herein provided may be exercised by notice in writing given to the transfer agent of the Corporation, accompanied by the certificate or certificates representing the Class B common shares in respect of which the holder thereof desires to exercise such right of exchange and such notice shall be signed by the person registered on the books of the Corporation as the holder of the Class B common shares in respect of which such right is being exercised, or by such holder's duly authorized attorney, and shall specify the number of Class B common shares which the holder has elected to have exchanged. The holder shall also pay any governmental or other tax or charge imposed in respect of such transaction. Upon receipt of such notice the transfer agent of the Corporation shall issue a certificate or certificates representing fully paid Class A non-voting shares upon the basis above prescribed and in accordance with the provisions hereof to the holder of the Class B common shares represented by the certificate or certificates accompanying such notice. If less than all the Class B common shares represented by any certificate or certificates are to be exchanged, the holder shall be entitled to receive a new certificate for the Class B common shares representing the shares comprised in the original certificate or certificates which are not to be exchanged; and

(c) subject to the rights, privileges, restrictions and conditions attaching to the preferred shares of the Corporation, to share equally, share for share, with the holders of the Class A non-voting shares in all dividends declared by the Corporation on common shares and to receive, *pari passu* with the holders of the Class A non-voting shares of the Corporation, the remaining property of the Corporation upon dissolution.

Notwithstanding anything herein contained, the exchange ratio of one-for-one referred to above in subsections (1)(b) and (2)(b) shall be amended from time to time to ensure that the effective exchange ratio at the time a holder of Class A non-voting shares or Class B common shares is entitled to tender for exchange is wholly consistent with the basis which prevailed on the date the Class A non-voting shares and Class B common shares were created, upon the happening of any of the following events:

(I) the subdivision, consolidation or reclassification of the outstanding Class A non-voting shares or Class B common shares,

(II) the issue of Class A non-voting shares or Class B common shares to all or substantially all the holders of Class A non-voting shares or Class B common shares by way of a stock dividend or otherwise, other than the issue from time to time of Class A non-voting shares or Class B common shares by way of a stock dividend or dividend reinvestment plan to shareholders who elect to receive dividends in shares in lieu of receiving cash dividends paid in the ordinary course,

(III) the issue of options, rights or warrants to all or substantially all the holders of Class A non-voting shares or Class B common shares entitling them within a period of 45 days to acquire Class A non-voting shares or Class B common shares or securities convertible into Class A non-voting shares or Class B common shares at a price per share (or having a conversion price per share) less than 95% of the then current market price of the Class A non-voting shares or Class B common shares, which shall be defined as the weighted average price at which the Class A non-voting shares or Class B common shares, as the case may be, traded on the Montreal and Toronto stock exchanges during any 30 consecutive trading days ending on a date within 15 business days preceding the record date for such issue, and

(IV) the issue to all or substantially all the holders of Class A non-voting shares or Class B common shares of options, rights or warrants (other than those expiring within 45 days), of evidences of indebtedness or of assets (excluding dividends paid in the ordinary course).

(B) Forty Thousand (40,000) 5% cumulative redeemable preferred shares without nominal or par value (the "Cumulative Preferred Shares");

(C) One Hundred Fifty Thousand (150,000) series preferred shares without nominal or par value, issuable in series and ranking pari passu with the Cumulative Preferred Shares (the "Series Preferred Shares"); and

(D) An unlimited number of series second preferred shares without nominal or par value, issuable in series and ranking junior to the Cumulative Preferred Shares and the Series Preferred Shares (the "Series Second Preferred Shares").

The rights, privileges, restrictions and conditions attaching to each class of preferred shares and to each existing series of Series Preferred Shares and Series Second Preferred Shares are as follows:

I Cumulative Preferred Shares

(1) The holders of the Cumulative Preferred Shares shall be entitled to receive and the Corporation shall pay as and when declared by the board of directors out of the moneys of the Corporation properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of five per cent (5%) per share per annum on the amount of capital of One Hundred Dollars (\$100) paid up on each share payable quarterly on such dates as shall be fixed by the board of directors by resolution; such dividends shall accrue from such date or dates as may in the case of each issue be determined by the board of directors of the Corporation or in case no date be so determined then from the date of allotment. Warrants or cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada (Yukon Territory excepted) shall be issued in respect of such dividends and payment of the warrants or cheques shall satisfy such dividends. If on any dividend payment date the dividends payable on such date are not paid in full on all of the Cumulative Preferred Shares then issued and outstanding, such dividends or the unpaid part of them shall be paid on a subsequent dividend payment date or dates on which the Corporation shall have sufficient moneys properly applicable to the payment of them. The holders of the Cumulative Preferred Shares shall not be entitled to any dividends other than or in excess of the cash dividends provided in this paragraph (1).

(2) 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 Cumulative Preferred Shares shall be entitled to receive the amount paid up on such shares together with all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing up to the date of distribution) and if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount equal to four per cent (4%) of the amount paid up on such shares before any amount shall be paid or any property or assets of the Corporation distributed to the holders of any common shares or, shares of any other class ranking junior to the Cumulative Preferred Shares. After payment to the holders of the Cumulative Preferred Shares of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation. If, upon such liquidation, dissolution, winding-up or other distribution, the assets of the Corporation shall be insufficient to permit the payment in full to the holders of the Cumulative Preferred Shares and the holders

of all other shares of the Corporation ranking pari passu as to payment of dividends and repayment of capital with the Cumulative Preferred Shares of the sums which would have been due to them respectively, if there had been no such insufficiency, then the entire remaining assets of the Corporation shall be distributable rateably among the holders of the Cumulative Preferred Shares and the shares ranking pari passu with them as to payment of dividends and repayment of capital in accordance with the sums which would have been due to them if there had been no insufficiency.

(3) Subject to the provisions of paragraph (6) of this Part I the Corporation may at any time or times purchase (if obtainable) for cancellation the whole or any part of the Cumulative Preferred Shares outstanding from time to time in the market or by invitation for tenders addressed to all the holders of record of the Cumulative Preferred Shares outstanding at the lowest price at which in the opinion of the board of directors such shares are obtainable but not exceeding one hundred four per cent (104%) of the amount paid up on them and costs of purchase and all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing up to the date of purchase). If upon any invitation for tenders under the provisions of this paragraph Cumulative Preferred Shares are tendered to the Corporation in excess of the number of Cumulative Preferred Shares which the Corporation is prepared to purchase then the Cumulative Preferred Shares to be purchased by the Corporation shall be purchased as nearly as may be pro rata to the number of shares tendered by each shareholder who submits a tender to the Corporation. From and after the date of purchase of any Cumulative Preferred Shares under the provisions of this paragraph the shares so purchased shall be deemed to be redeemed and shall be cancelled.

(4) Subject to the provisions of paragraph (6) the Corporation may upon giving notice as provided in paragraph (5) redeem at any time the whole or from time to time any part of the then outstanding Cumulative Preferred Shares on payment for each share to be redeemed of one hundred four per cent (104%) of the amount paid up on such share together with all unpaid preferential dividends (which for such purpose shall be calculated as if the dividends on the Cumulative Preferred Shares were accruing up to the date of such redemption). In case a part only of the then outstanding Cumulative Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or if the directors so determine may be redeemed pro rata disregarding fractions.

(5) In any case of redemption of Cumulative Preferred Shares under the provisions of the last preceding paragraph (4) the Corporation shall at least thirty (30) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Cumulative Preferred Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Cumulative Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one (1) or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Cumulative Preferred Shares to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice, of the certificates for the Cumulative Preferred Shares called for redemption. Such Cumulative Preferred Shares shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in, any such notice, the Cumulative Preferred Shares called for redemption shall cease to be entitled to dividends and the holders of such shares shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Should the holders of any Cumulative Preferred Shares so called for redemption fail to present the certificates representing such shares on the date specified for redemption the Corporation shall have the right to deposit the redemption price of such shares to a special account in any chartered bank or any trust company in Canada to be paid without interest to or to the order of the respective holders of such Cumulative Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made the Cumulative Preferred Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively.

(6) Unless all the Cumulative Preferred Shares then outstanding are being purchased for cancellation or redeemed:

(a) no dividends shall at any time be declared or paid or set apart for payment on any shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with or junior to the

Cumulative Preferred Shares unless all dividends on the Cumulative Preferred Shares then outstanding accrued for all previous dividend periods and accrued and to accrue for the current dividend period shall have been declared and paid or set apart for payment on the Cumulative Preferred Shares at the date of such declaration, payment or setting apart for payment on such other shares, and

(b) the Corporation shall not call for redemption or purchase for cancellation or reduce capital with respect to any of the Cumulative Preferred Shares or any shares of the Corporation ranking pari passu as to payment of dividends repayment of capital with or junior to the Cumulative Preferred Shares unless all dividends on the Cumulative Preferred Shares then outstanding accrued for all previous dividend periods and accrued or to accrue for the current dividend period shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase or reduction.

(7) The holders of the Cumulative Preferred Shares shall not be entitled (except as specifically provided in this paragraph (7)) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to any vote at any such meeting unless and until

(a) the Corporation from time to time shall fail to pay in the aggregate six (6) quarterly dividends on the Cumulative Preferred Shares on the dates on which they should be paid according to the terms of this Part I whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the-payment of dividends or

(b) the holders of any other preferred shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with the Cumulative Preferred Shares shall become entitled to voting rights. Thereafter, so long as any dividends on the Cumulative Preferred Shares remain in arrears or the holders of any other preferred shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with the Cumulative Preferred Shares remain entitled to voting rights, the holders of the Cumulative Preferred Shares shall be entitled to receive notice of all meetings of shareholders and to exercise one (1) vote at such meetings in respect of each Cumulative Preferred Share held by such holders, and the holders of the Cumulative Preferred Shares and the holders of any other preferred shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with the Cumulative Preferred Shares then entitled to voting rights voting together without distinction as to class shall be entitled to elect such number of members of the board of directors of the Corporation as shall be the greatest integral number less than one-half (1/2) of the number of the directors. Nothing contained in this paragraph (7) shall be deemed to limit the right of the Corporation from time to time to increase or decrease the number of its directors.

Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to vote on the election of directors shall accrue to the holders of the Cumulative Preferred Shares as provided in this paragraph (7) or who may be appointed as directors if such right shall have accrued and before a meeting of shareholders shall have been held shall terminate upon the election of new directors at the next annual meeting of shareholders or at a special general meeting which may be held for the purpose of electing directors at any time after the accrual of such voting rights upon not less than twenty (20) days' written notice and such special general meeting shall be called by the secretary of the Corporation upon the written request of the holders of record of at least one-tenth (1/10) of the outstanding Cumulative Preferred Shares and any other outstanding preferred shares ranking pari passu with them as to payment of dividends or repayment of capital which may have become entitled to voting rights and in default of the calling of such special general meeting by the secretary within five (5) days after the making of such request it may be called by any holder of record of Cumulative Preferred Shares.

Any vacancy occurring among members of the board of directors of the Corporation elected to represent the holders of the Cumulative Preferred Shares or the holders of the Cumulative Preferred Shares and the holders of any other preferred shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with the Cumulative Preferred Shares then entitled to voting rights may be filled by the board of directors with the consent and approval of the remaining director or directors elected to represent such holders but, if there be no such remaining director or directors, the board may elect sufficient holders of the Cumulative Preferred Shares, or holders of such, other preferred shares if then entitled to voting rights, to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board of directors, the holders of record of at least one-fifth (1/5) of the outstanding Cumulative Preferred Shares and any other outstanding preferred shares ranking pari passu with them as to payment of dividends or repayment of capital which may have become entitled to voting rights shall have the right to require the secretary of the Corporation to call a meeting of the holders of the Cumulative Preferred Shares and the holders of any other preferred shares of the Corporation ranking pari passu as to payment of dividends or repayment of capital with the Cumulative Preferred Shares if then entitled to voting rights for the purpose of filling the vacancies

or replacing all or any of the persons so elected by the board to fill such vacancies and the provisions of the last preceding subparagraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the by-laws of the Corporation, upon any termination of the voting rights of the Cumulative Preferred Shares as provided in this paragraph (7), the term of office of the directors elected to represent the holders of the Cumulative Preferred Shares or elected to represent the holders of the Cumulative Preferred Shares and the holders of any other preferred shares of the Corporation ranking *pari passu* as to payment of dividends or repayment of capital with the Cumulative Preferred Shares, as the case may be, shall terminate.

(8) The holders of the Cumulative Preferred Shares shall not be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or of bonds, debentures or other securities of the Corporation now or in the future authorized.

(9) The Corporation shall not issue any shares ranking *pari passu* as to payment of dividends or repayment of capital with the Cumulative Preferred Shares without the prior approval of the holders of the Cumulative Preferred Shares specified in paragraph (11) unless net earnings, as defined in paragraph (9), for any twelve (12) consecutive months of the last eighteen (18) months immediately preceding the date of issuance have been at least equal to two (2) times the sum of the annual dividend requirements of the Cumulative Preferred Shares and any other preferred shares of the Corporation ranking *pari passu* as to payment of dividends or repayment of capital with the Cumulative Preferred Shares then outstanding and then proposed to be issued; the certificate of the Corporation's auditors for the time being as to whether or not the Corporation is permitted to issue Cumulative Preferred Shares or other preferred shares ranking *pari passu* as to payment of dividends or repayment of capital with the Cumulative Preferred Shares without the approval of the holders of such shares shall be conclusive and binding upon the Corporation and the holders of shares of every class and all persons are invited to act accordingly.

"Net earnings" as used in this paragraph (9) means all gross earnings and income of the Corporation from all sources less all administrative, selling and operating charges and expenses of every character and all fixed charges of the Corporation. Without limitation of the generality of the foregoing, operating expenses shall include insurance, maintenance, repairs, rentals, licenses, taxes, including income taxes and taxes based on profits, and all interest and such reserve for bad and doubtful debts as the directors in their discretion, with the approval of the Corporation's auditors, may determine and, in addition to actual expenditure for maintenance, reasonable allowance for depreciation, but excluding any provision for amortization.

"Amortization" as used in this paragraph (9) includes any items chargeable to amortization in accordance with the accounting procedure of the Corporation and, without limiting the generality of the foregoing, includes amortization of funded indebtedness, discount and expenses, including exchange premium and any other premium and expenses paid upon retirement of funded indebtedness and amortization of intangibles except to the extent provided for in the charge made for depreciation.

"Funded Indebtedness" as used in this paragraph (9) means any indebtedness or liability or evidence of indebtedness or liability having a stated maturity of one (1) year or more from the time of its creation, issue, assumption, guarantee, renewal or extension.

If any property is owned or in process of being acquired (or is proposed to be acquired as incidental to the proposed issue of Cumulative Preferred Shares) by the Corporation at the time of determining net earnings for any past period and shall not have been owned by the Corporation during the whole of the period for which net earnings are to be computed, the net earnings of such property for the same past period (calculated in accordance with the provisions contained in this paragraph (9) respecting net earnings) as ascertained by the auditors of the Corporation or by other accountants whose report the auditors of the Corporation shall consider to be sufficient, after making any necessary adjustments, shall be included as net earnings for all purposes of this definition or, as the case may be, the net loss (if any) in respect of such property for the same past period similarly ascertained shall be brought into account in ascertaining net earnings for the purposes of this definition, provided in either case that the auditors of the Corporation or such other accountants, in their opinion, shall have available adequate records and data to enable them to ascertain such net earnings or net losses, as the case may be, of such property.

For the purposes of this paragraph (9) and subject to the foregoing provisions of it, net earnings shall be determined by the auditors of the Corporation.

(10) Except with the approval of the holders of the Cumulative Preferred Shares as specified in paragraph (11) no class of shares may be created ranking as to payment of dividends or repayment of capital prior to or *pari passu* with the Cumulative Preferred Shares nor shall the authorized number of the Cumulative Preferred Shares or of any preferred shares of the Corporation ranking *pari passu* as to payment of dividends or repayment of capital with the Cumulative Preferred Shares be increased.

(11) The approval of holders of the Cumulative Preferred Shares as to any and all matters referred to in this Part I may be given in writing by the holders of a majority of the outstanding Cumulative Preferred Shares or by resolution passed or by by-law sanctioned at a meeting of holders of Cumulative Preferred Shares duly called and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding Cumulative Preferred Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds (2/3) of the Cumulative Preferred Shares represented and voted at such meeting cast on a poll. If at any such meeting the holders of a majority of the outstanding Cumulative Preferred Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than fifteen (15) days later and to such time and place as may be appointed by the chairman of the meeting and at least ten (10) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of the Cumulative Preferred Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed at the meeting by the affirmative votes of the holders of not less than two-thirds (2/3) of the Cumulative Preferred Shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Cumulative Preferred Shares referred to above. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting or adjourned meeting every holder of Cumulative Preferred Shares shall be entitled to one (1) vote in respect of each Cumulative Preferred Share held.

(12) The foregoing provisions may be repealed, altered, modified, amended or amplified by articles of amendment but only with the approval of the holders of the Cumulative Preferred Shares.

## II Series Preferred Shares

The Series Preferred Shares shall, as a class, carry and be subject to the following rights, preferences, priorities, limitations, conditions and restrictions:

(1) The Series Preferred Shares shall, in accordance with and subject to the provisions of section 27 of the Canada Business Corporations Act, as now existing or as may be amended, be issuable in series as provided in this paragraph (1) and each of the Series Preferred Shares shall rank *pari passu* as to payment of dividends and repayment of capital and rateably with each of the other Series Preferred Shares and with each of the Cumulative Preferred Shares. The Series Preferred Shares of each series shall in all respects carry and be subject to the same rights, preferences, priorities, limitations, conditions and restrictions as the Series Preferred Shares of every other series except to the extent that the directors may otherwise determine as provided in this Part II but subject to the provisions contained in it relating to all series of the Series Preferred Shares. The directors of the Corporation shall have the right, by resolution but subject to the provisions of section 27 of the Canada Business Corporations Act, as now existing or as may be amended, and subject to the provisions contained in this Part II, to fix from time to time before issue the respective designations, voting rights, preferences, conversion and exchange rights, rights to dividends and their rates, purchase and redemption rights, including the rate or amount of premium, if any, payable on redemption, rights on liquidation or distribution of capital assets and all other rights, restrictions, conditions, limitations, attributes and characteristics of each series of the Series Preferred Shares.

(2) The holders of the Series Preferred Shares shall be entitled to receive and the Corporation shall pay as and when declared by the board of directors of the Corporation out of the moneys of the Corporation properly applicable to the payment of dividends fixed cumulative preferential cash dividends on the amount paid up on each share at such rate or in such amount and payable at such intervals as may be determined by the board of directors of the Corporation and set out in articles of amendment under the provisions of subsection (4) of section 27 of the Canada Business Corporations Act, as now existing or as may be amended, in respect of each series prior to the issue of any Series Preferred Shares of such series. Such dividends shall accrue from such date or dates as may in the case of each series be determined by the board of directors of the Corporation or in case no date be so determined then from the date of their issue. Warrants or cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada (Yukon Territory excepted) shall be issued in respect of such dividends and payment of the warrants or cheques shall satisfy such dividends. If on any dividend payment date the dividends payable on such date are not paid in full on all of the Series Preferred Shares then issued and outstanding, such dividends or the unpaid part of them shall be paid on a subsequent dividend payment date or dates on which the Corporation shall have sufficient moneys properly applicable to the payment of them. The holders of the Series Preferred Shares shall not be entitled to any further or other dividends than those expressly provided for by the board of directors of the Corporation and set out in articles of amendment under the provisions of subsection (4) of section 27 of the Canada Business Corporations Act, as now existing or as may be amended, in respect of each series prior to the issue of any Series Preferred Shares of such series. With respect to each series of Series Preferred Shares, dividends shall be paid to the registered holders appearing on the registers at the close of business on such a day

preceding the day fixed for payment of the dividends as may be determined from time to time by the board of directors of the Corporation.

(3) 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 Series Preferred Shares shall be entitled to receive

(a) the amount paid up on such shares together with all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of distribution) and

(b) if such liquidation, dissolution, winding-up or distribution shall be voluntary, an additional amount equal to the premium which would have been payable on the redemption of the Series Preferred Shares respectively if they had been called for redemption by the Corporation on the date of distribution, before any amount shall be paid to or any property or assets of the Corporation distributed among the holders of any other shares of the Corporation ranking junior to the Series Preferred Shares. After payment to the holders of the Series Preferred Shares, of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(4) If, upon such liquidation, dissolution, winding-up or other distribution, the assets of the Corporation shall be insufficient to permit the payment in full to the holders of the Cumulative Preferred Shares and the holders of the Series Preferred Shares of the sums which would have been due to them respectively if there had not been such insufficiency, then the entire remaining assets of the Corporation shall be distributable rateably among the holders of the Cumulative Preferred Shares and of the Series Preferred Shares in accordance with such sums which would have been due to them if there had been no insufficiency.

(5) Subject to the provisions of paragraph (8) the Corporation may at any time or times purchase (if obtainable) for cancellation the whole or any part of the Series Preferred Shares of any one or more series outstanding from time to time in the market or by invitation for tenders addressed to all holders of record of the series of Series Preferred Shares proposed to be purchased at a price not exceeding the amount paid up on each share plus the premium which would have been payable on them if the Series Preferred Shares had been redeemed by the Corporation on the date of such purchase plus an amount equal to all unpaid preferential dividends, which for such purpose shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of purchase, and plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph Series Preferred Shares are tendered to the Corporation in excess of the number of Series Preferred Shares which the Corporation is prepared to purchase then the Series Preferred Shares to be purchased by the Corporation shall be purchased as nearly as may be pro rata to the number of Series Preferred Shares tendered by each shareholder who submits a tender to the Corporation. From and after the date of purchase of any Series Preferred Shares under the provisions of this paragraph, the Series Preferred Shares so purchased shall be redeemed and shall not be reissued.

(6) Subject to the provisions of paragraph (8) the Corporation may, upon giving notice as provided in paragraph (7), redeem at any time the whole or from time to time any part of the then outstanding Series Preferred Shares of any or all series at a redemption price consisting of the amount paid up on each share and of such premium if any, as may have been fixed for that purpose by the board of directors of the Corporation and set out in articles of amendment under the provisions of subsection (4) of section 27 of the Canada Business Corporations Act, as now existing or as may be amended, in respect of each series prior to the issue of any Series Preferred Shares of such series plus an amount equal to all unpaid preferential dividends, which for such purpose shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of such redemption. In case the Corporation desires to redeem part only of the Series Preferred Shares of any series, the shares of such series to be redeemed shall be selected by lot in such manner as the board of directors of the Corporation may determine with the approval of the transfer agent appointed in respect of the Series Preferred Shares or, if the board of directors so determine, may be redeemed pro rata disregarding fractions. No Series Preferred Shares redeemed pursuant to the foregoing provisions shall be reissued.

(7) In case of any redemption of the Series Preferred Shares under the provisions of the last preceding paragraph (6), the Corporation shall mail to each person who at the time of mailing is a registered holder of Series Preferred Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed so as to give such number of days' notice of such redemption as shall have been determined by the board of directors of the Corporation and set out in articles of amendment under the provisions of subsection (4) of section 27 of the Canada Business Corporations Act, as now existing or as may be amended for that purpose in respect of the series of Series Preferred Shares being so redeemed in whole or in part prior to the time of the issue



of any Series Preferred Shares of such series. Such notice shall be mailed in a prepaid registered letter addressed to each such holder at his address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, then to the last known address of such shareholder, provided, however, that the accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption as to other such holders. Such notice shall set out the redemption price, the place at which the redemption price is to be paid and the date on which redemption is to take place and, if part only of the Series Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or before the date so specified for redemption, the Corporation shall deposit the redemption price of the Series Preferred Shares to be redeemed in a special account in any bank or trust company in Canada to be paid without interest to or to the order of the respective holders of such Series Preferred Shares upon presentation and surrender to such bank or trust company of the certificates representing them. Provided such deposit shall have been made, such Series Preferred Shares so called for redemption shall on the date specified for redemption be and be deemed to be redeemed and shall not be reissued. If a part only of the Series Preferred Shares represented by any certificate be redeemed, a new certificate for the remainder shall be issued at the expense of the Corporation. Provided the redemption price shall have been so deposited, the Series Preferred Shares so called for redemption shall from and after the date specified for redemption cease to be entitled to dividends and the holders of such shares shall not be entitled to exercise any of the rights of shareholders in respect of them and their rights shall be limited to receiving, without interest, their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. If the redemption price shall not be so deposited the rights of the holders of the Series Preferred Shares so called for redemption shall remain unaffected.

- (8) Unless all the Series Preferred Shares then outstanding are being redeemed or purchased for cancellation:
- (a) no dividends shall at any time be declared or paid or set apart for payment on the Cumulative Preferred Shares or on any shares of the Corporation ranking junior to the Series Preferred Shares unless all dividends on the Series Preferred Shares then outstanding accrued for all previous dividend periods and accrued and to accrue for the current dividend period shall have been declared and paid or set apart for payment on the Series Preferred Shares at the date of such declaration or payment or setting apart for payment on the Cumulative Preferred Shares or such other shares and
  - (b) the Corporation shall not call for redemption or purchase for cancellation or reduce capital with respect to any of the Cumulative Preferred Shares or any of the Series Preferred Shares or any shares of the Corporation ranking junior to the Series Preferred Shares unless all dividends on the Series Preferred Shares then outstanding accrued for all previous dividend periods and accrued or to accrue for the current dividend period shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase or reduction.
- (9) The holders of Series Preferred Shares shall not be entitled (except as specifically provided in this paragraph (9)) to receive notice of or to attend any meetings of shareholders of the Corporation and shall not be entitled to vote at any such meetings unless and until
- (a) the Corporation from time to time shall fail to pay dividends in respect of a total of eighteen (18) months on any series of the Series Preferred Shares whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends or
  - (b) the holders of the Cumulative Preferred Shares shall become entitled to voting rights.

Thereafter, so long as any dividends on the Series Preferred Shares remain in arrears or the holders of the Cumulative Preferred Shares remain entitled to voting rights, the holders of the Series Preferred Shares shall be entitled to receive notice of all meetings of shareholders and to exercise one (1) vote at such meetings in respect of each Series Preferred Share held, and such holders and the holders of the Cumulative Preferred Shares, if there then be any outstanding and entitled to voting rights, voting together without distinction as to class, shall be entitled to elect such number of members of the board of directors of the Corporation as shall be the greatest integral number less than one-half (1/2) of the number of directors. Nothing contained in this paragraph (9) shall be deemed to limit the right of the Corporation from time to time to increase or decrease the number of directors.

Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to vote on the election of directors shall accrue to the holders of Series Preferred Shares as provided in this paragraph (9) or who may be appointed as directors if such right shall have accrued and before a meeting of shareholders shall have been held shall terminate upon the election of new directors at the next annual meeting of the shareholders or at a special general meeting which may be held for the purpose of electing directors at any time after the accrual of such voting rights upon not less than twenty (20) days' written notice and such special general meeting shall be called by the secretary of the Corporation upon the written request of the holders of record of at least one tenth (1/10) of the outstanding Series Preferred Shares and the

Cumulative Preferred Shares, if there then be any outstanding and entitled to voting rights, and in default of the calling of such special general meeting by the secretary within five (5) days after the making of such request it may be called by any holder of record of Series Preferred Shares.

Any vacancy occurring among members of the board of directors of the Corporation elected to represent the holders of the Series Preferred Shares or the holders of the Series Preferred Shares and the holders of the Cumulative Preferred Shares in accordance with the foregoing provisions may be filled by the board of directors with the consent and approval of the remaining director or directors elected to represent such holders but, if there be no such remaining director or directors, the board of directors may elect sufficient holders of Series Preferred Shares or holders of the Cumulative Preferred Shares, if the holders of the Cumulative Preferred Shares are then entitled to voting rights, to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board of directors, the holders of record of at least one-fifth (1/5) of the outstanding Series Preferred Shares and the Cumulative Preferred Shares, if there be any outstanding and entitled to voting rights, shall have the right to require the secretary of the Corporation to call a meeting of the holders of the Series Preferred Shares or of the holders of the Series Preferred Shares and the holders of the Cumulative Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies and the provisions of the last preceding subparagraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the by-laws of the Corporation, upon any termination of the voting rights of the Series Preferred Shares as provided in this paragraph (9), the term of office of the directors elected to represent the holders of the Series Preferred Shares, or elected to represent the holders of the Series Preferred Shares and the holders of the Cumulative Preferred Shares, as the case may be, shall terminate.

(10) The holders of the Series Preferred Shares shall not be entitled as of right to subscribe for or purchase or receive any part of any issue of any shares or of any bonds, debentures or other securities of the Corporation now or in the future authorized.

(11) Except with the approval of the holders of the Series Preferred Shares, the Corporation shall not issue any class of shares ranking as to payment of dividends or repayment of capital prior to or pari passu with the Series Preferred Shares nor shall the authorized number of the Series Preferred Shares or of the Cumulative Preferred Shares be increased.

(12) No Series Preferred Shares shall be issued by the Corporation without the prior approval of the holders of Series Preferred Shares unless net earnings, as defined in this paragraph (12), for any twelve (12) consecutive months of the last eighteen (18) months immediately preceding the date of issuance have been at least equal to two (2) times the annual dividend requirements on the Cumulative Preferred Shares and the Series Preferred Shares then outstanding and then proposed to be issued; the certificate of the Corporation's auditors for the time being as to whether the Corporation is or is not entitled to issue any Series Preferred Shares without the approval of the holders of such shares shall be conclusive and binding on the Corporation and the holders of shares of every class and all persons are invited to act accordingly.

"Net earnings" as used in this paragraph (12) means all gross earnings and income of the Corporation from all sources less all administrative, selling and operating charges and expenses of every character and all fixed charges of the Corporation. Without limitation of the generality of the foregoing, operating expenses shall include insurance, maintenance, repairs, rentals, licenses, taxes, including income taxes and taxes based on profits, and all interest and such reserve for bad and doubtful debts as the board of directors in its discretion, with the approval of the Corporation's auditors, may determine and, in addition to actual expenditure for maintenance, reasonable allowance for depreciation, but excluding any provision for amortization.

"Amortization" as used in this paragraph (12) includes any items chargeable to amortization in accordance with the accounting procedure of the Corporation and, without limiting the generality of the foregoing, includes amortization of funded indebtedness, discount and expenses, including exchange premium and any other premium and expenses paid upon retirement of funded indebtedness and amortization of intangibles except to the extent provided for in the charge made for depreciation.

"Funded indebtedness" as used in this paragraph (12) means any indebtedness or liability or evidence of indebtedness or liability having a stated maturity of one (1) year or more from the time of its creation, issue, assumption, guarantee, renewal or extension.

If any property is owned or in process of being acquired (or is proposed to be acquired as incidental to the proposed issue of Series Preferred Shares) by the Corporation at the time of determining net earnings for any past period and shall not have been owned by the Corporation during the whole of the period for which net earnings are to be computed, the net earnings of such property for the same past period (calculated in accordance with the provisions contained in this paragraph (12) respecting net earnings) as ascertained by the auditors of the Corporation or by other accountants whose report the auditors of the Corporation shall consider to be sufficient, after making any

necessary adjustments, shall be included as net earnings for all purposes of this definition or, as the case may be, the net loss (if any) in respect of such property for the same past period similarly ascertained shall be brought into account in ascertaining net earnings for the purpose of this definition, provided in either case that the auditors of the Corporation or such other accountants, in their opinion, shall have available adequate records and data to enable them to ascertain such net earnings or net losses, as the case may be, of such property.

For the purposes of this paragraph (12) and subject to the foregoing provisions of it, net earnings shall be determined by the auditors of the Corporation.

(13) The provisions of paragraphs (1) to (12) inclusive, of this paragraph (13) and of paragraph (14) may be repealed, modified, amended or amplified by articles of amendment but only with the approval of the holders of the Series Preferred Shares.

(14) The approval of holders of the Series Preferred Shares as to any and all matters referred to in this Part II may be given in writing by the holders of at least a majority of the outstanding Series Preferred Shares or by resolution passed or by by-law sanctioned at a meeting of holders of Series Preferred Shares duly called and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding Series Preferred Shares are present or represented by proxy and carried by the affirmative votes of the holders of not less than two-thirds (2/3) of the Series Preferred Shares represented and voted at such meeting cast on a poll. If at any such meeting the holders of a majority of the outstanding Series Preferred Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than fifteen (15) days later and to such time and place as may be appointed by the chairman of the meeting and at least ten (10) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of Series Preferred Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed at the meeting by the affirmative Votes of the holders of not less than two-thirds (2/3) of the Series Preferred Shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Series Preferred Shares referred to above.

If the repeal, modification, amendment or amplification of the provisions contained in this Part II especially affects the rights of the holders of Series Preferred Shares of any series in a manner or to an extent substantially different from that in or to which the rights of the holders of Series Preferred Shares of any other series are affected, then such repeal, modification, amendment or amplification shall, in addition, be approved by the holders of the Series Preferred Shares of such series so especially affected and the provisions of this paragraph shall apply, mutatis mutandis, with respect to the giving of such approval. At any meeting of the holders of Series Preferred Shares without distinction as to series each holder of Series Preferred Shares shall be entitled to one (1) vote in respect of each Series Preferred Share held by him. At any meeting of the holders of Series Preferred Shares of any particular series, each holder shall be entitled to one (1) vote in respect of each Series Preferred Share of such series held by him.

The formalities to be observed with respect to the giving of notice of any meeting or adjourned meeting of series preferred shareholders and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

#### II-A Series Preferred Shares: 4 1/4% Series Preferred Shares

Fifteen Thousand (15,000) of the Series Preferred Shares, together with all additional Series Preferred Shares, if any, which may in the future be designated as having the same attributes as such fifteen thousand (15,000) Series Preferred Shares are designated cumulative redeemable preferred shares, 4 1/4% series (the "4 1/4% series preferred shares"), provided that, subject to the adoption of articles of amendment, the board of directors may from time to time by resolution designate any shares of the 4 1/4% series preferred shares remaining unissued at that time as forming part of some other series of the Series Preferred Shares with such designation, rights, restrictions, conditions and limitations as may be fixed with respect to such other series. In addition to the rights, restrictions, conditions and limitation attaching to all series of the Series Preferred Shares, the rights restrictions, conditions and limitations attaching to the 4 1/4% series preferred shares shall be as follows:

(1) The 4 1/4% series preferred shares shall carry the right to a fixed cumulative cash dividend at the rate of four and one-quarter per cent (4 1/4%) per annum, and no more, payable quarterly on the fifteenth days of February, May, August and November in each year commencing on such date as the board of directors may determine in respect of each issue of such shares. Such dividends shall be cumulative from such date as may be determined by the board of directors in respect of each issue of such shares or in case no date be so determined then from the date of their issue.

(2) The 4 1/4% series preferred shares shall be redeemable by the Corporation in whole at any time or in part from time to time on not less than thirty (30) days' notice at a redemption price consisting of the amount of capital of

one hundred dollars (\$100) paid up on each share plus a premium of two and one-half per cent (2 1/2%) of such amount and plus a sum equal to all unpaid preferential dividends accrued on the shares called for redemption.

(3) The provisions contained in the foregoing paragraphs (1) and (2) and in paragraph (4) may be repealed, modified, amended or amplified in whole or in part by articles of amendment but only with the approval of the holders of the 4 1/4% series preferred shares.

(4) Such approval may be given in a manner similar, mutatis mutandis, to that prescribed in the conditions attaching to all series of the Series Preferred Shares for the approval of any repeal, modification, amendment or amplification of these conditions where such repeal, modification, amendment or amplification affects the rights of the holders of Series Preferred Shares of any series in a manner or to an extent different from that in or to which the rights of the holders of Series Preferred Shares of any other series are affected.

#### II-B Series Preferred shares: 6% Series Preferred Shares

Fifty Thousand (50,000) of the Series Preferred Shares, together with all additional Series Preferred Shares, if any, which may in the future be designated as having the same attributes as such fifty thousand (50,000) Series Preferred Shares are hereby designated cumulative redeemable preferred shares, 6% series (the "6% series preferred shares"), provided that, subject to the adoption of articles of amendment, the board of directors may from time to time by resolution designate any shares of the 6% series preferred shares remaining unissued at that time as forming part of some other series of the Series Preferred Shares with such designation, rights, restrictions, conditions and limitations as may be fixed with respect to such other series. In addition to the rights, restrictions, conditions and limitations attaching to all series of the Series Preferred Shares, the rights, restrictions, conditions and limitations attaching to the 6% series preferred shares shall be as follows:

(1) The 6% series preferred shares shall carry the right to a fixed cumulative cash dividend at the rate of six per cent (6%) per annum, and no more, payable quarterly on the first days of February, May, August and November in each year commencing on such date as the board of directors may determine in respect of each issue of such shares. Such dividends shall be cumulative from such date as may be determined by the board of directors in respect of each issue of such shares or in case no date be so determined then from the date of their issue.

(2) The 6% series preferred shares shall be redeemable by the Corporation in whole at any time or in part from time to time on not less than thirty (30) days' notice at a redemption price consisting of the amount of capital of one hundred dollars (\$100) paid up on each share plus a premium of three per cent (3%) of such amount if redeemed after February 1, 1977 and on or before February 1, 1982, plus a premium of two per cent (2%) of such amount, if redeemed after that date and on or before February 1, 1987, and plus a premium of one per cent (1%) of such amount if redeemed after that date and in each case plus a sum equal to all unpaid preferential dividends accrued on the shares called for redemption.

(3) The provisions contained in the foregoing paragraphs (1) and (2) and in paragraph (4) may be repealed, modified, amended or amplified in whole or in part by articles of amendment but only with the approval of the holders of the 6% series preferred shares.

(4) Such approval may be given in a manner similar, mutatis mutandis, to that prescribed in the conditions attaching to all series of the Series Preferred Shares for the approval of any repeal, modification, amendment or amplification of those conditions where such repeal, modification, amendment or amplification affects the rights of the holders of Series Preferred Shares of any series in a manner or to an extent different from that in or to which the rights of the holders of Series Preferred Shares of any other series are affected.

#### III Series Second Preferred Shares

The Series Second Preferred Shares shall as a class, carry and be subject to the following rights, preferences, priorities, limitations, conditions, restrictions and prohibitions:

(1) The Series Second Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before issue be determined by resolution of the board of directors of the Corporation.

(2) The board of directors of the Corporation shall subject to the provisions contained in this Part III, by resolution duly passed before the issue of the Series Second Preferred Shares of each series, fix the designation, rights, restrictions, conditions, limitations and prohibitions to be attached to the Series Second Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate or amount of cumulative preferential dividends, the date or dates and places of their payment, the date or dates from which such preferential dividends shall accrue, the rights of the Corporation to purchase and to redeem them pursuant to the applicable provisions of the Canada Business Corporations Act, the consideration and the terms and conditions of any such purchase or redemption, conversion rights, if any, the terms and conditions of any share

purchase plan or sinking fund and the restrictions, if any, respecting payment of dividends on any shares ranking junior to the Series Second Preferred Shares, the whole subject to the adoption of articles of amendment setting forth the designation, rights, restrictions, conditions, limitations and prohibitions to be attached to the Series Second Preferred Shares of such series.

(3) The Series Second Preferred Shares shall rank junior in all respects to the Cumulative Preferred Shares and the Series Preferred Shares, the Cumulative Preferred Shares and the series Preferred Shares being collectively referred to as the "First Preferred Shares", and shall be subject in all respects to the rights, preferences, priorities, limitations, conditions, restrictions and prohibitions attaching to the First Preferred Shares.

(4) The Series Second Preferred Shares of each series shall, with respect to priority in payment of dividends and in the distribution of assets in the event of 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, be entitled to preference over the common shares of the Corporation and over any other shares ranking junior to the Series Second Preferred Shares and the Series Second Preferred Shares of each series may also be given such other preferences over the common shares and any other shares ranking junior to the Series Second Preferred Shares as may be determined as to the respective series authorized to be issued.

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

(6) No dividends (other than stock dividends in shares of the Corporation ranking junior to the Series Second Preferred Shares) shall at any time be declared or paid on or set apart for payment on the common shares or on any other shares of the Corporation ranking junior to the Series Second Preferred Shares unless all dividends up to and including the dividend payment for the last completed period for which such dividends shall be payable on each series of the Series Second Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on the common shares or such other shares of the Corporation ranking junior to the Series Second Preferred Shares; nor shall the Corporation call for redemption or purchase for cancellation any of the Series Second Preferred Shares (less than the total number of Series Second Preferred Shares then outstanding) or any shares of the Corporation ranking junior to the Series Second Preferred Shares unless all dividends up to and including the dividend payable for the last completed period for which such dividends shall be payable on each series of the Series Second Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption or purchase.

(7) The holders of the Series Second Preferred Shares shall not, as such, be entitled as of right to subscribe for or to purchase or receive the whole or any part of any shares, bonds, debentures, or other securities or any rights to acquire them which may from time to time be issued by the Corporation except in accordance with any conversion rights set forth in the rights, restrictions, conditions, limitations and prohibitions attaching to the Series Second Preferred Shares of any series.

(8) The holders of the Series Second Preferred Shares shall not be entitled as such (except as specifically provided in this Part III or as otherwise provided in any series) to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting unless and until the Corporation from time to time shall fail to pay in the aggregate four (4) half-yearly dividends (or eight (8) quarterly dividends on the Series Second Preferred Shares of any series payable on a quarterly basis) on the Series Second Preferred Shares of any series on the dates on which the same should be paid according to their terms and unless and until four (4) half-yearly dividends (or eight (8) quarterly dividends, as the case may be) on such shares shall remain outstanding and be unpaid whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; then but only so long as any dividends on the Series Second Preferred Shares of any series remain in arrears the holders of the Series Second Preferred Shares shall be entitled to receive notice of all meetings of shareholders of the Corporation (other than any meetings of holders of any particular class or series of First Preferred Shares held separately and as a class or series and other than any meetings of the holders of any other class of shares of the Corporation held separately and as a class) at which directors of the Corporation are to be elected and to attend and vote and shall have one (1) vote in respect of each Series Second Preferred Share held by each of such holders respectively.

(9) The provisions of paragraphs (1) to (8) inclusive, of this paragraph (9) and of paragraph (10) or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Series Second Preferred Shares given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

(10) The approval of the holders of the Series Second Preferred Shares with respect to any and all matters referred to in this Part III may be given in writing by the holders of not less than two-thirds (2/3) of the Series Second Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Series Second Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series Second Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Series Second Preferred Shares then outstanding are not present in person or so represented by proxy within thirty (30) minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than fifteen (15) days later, and to such time and place as may be fixed by the Chairman of such meeting and, at such adjourned meeting, the holders of Series Second Preferred Shares present in person or so represented by proxy, whether or not they hold more or less than a majority of all Series Second Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series Second Preferred Shares. Notice of any such original meeting of the holders of the Series Second Preferred Shares shall be given not less than fifteen (15) days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of such adjourned meeting shall be given not less than ten (10) days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Series Second Preferred Shares present in person or so represented by proxy shall be entitled to one (1) vote in respect of each Series Second Preferred Share held by each of such holders respectively.

#### III-A Series Second Preferred Shares, 10 1/4% Series A

One million one hundred fifty-two thousand (1,152,000) of the Series Second Preferred Shares are designated 10 1/4% Cumulative Redeemable Second Preferred Shares Series A (the "Second Preferred Shares Series A"). In addition to the rights, restrictions, conditions, limitations and prohibitions attaching to the Series Second Preferred Shares as a class, the rights, restrictions, conditions, limitations and prohibitions attaching to the Second Preferred Shares Series A shall be as follows:

(1) The holders of the Second Preferred Shares Series A shall be entitled to receive and the Corporation shall pay as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at the rate of two dollars and 56.25 cents (\$2.5625) per share per annum, payable quarterly on the first days of January, April, July and October in each year. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series A shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date be so determined then from the date of allotment. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series A then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. The holders of the Second Preferred Shares Series A shall not be entitled to any dividend other than or in excess of such cumulative preferential cash dividends. Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of such dividends and payment of the cheques shall satisfy the dividends.

(2) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series A shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1.25 per share if such event commences prior to January 31, 1980, and if such event commences after that date, an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series A, if such shares were to be redeemed in accordance with paragraph (5) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series A in any respect. After payment to the

holders of the Second Preferred Shares Series A of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(3) So long as any of the Second Preferred Shares Series A are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series A and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking on a parity with the Second Preferred Shares Series A with respect to payment of dividends then outstanding unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.

(4) Subject to the provisions of paragraph (3) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series A outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series A outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding twenty-six dollars twenty-five cents (\$26.25) per share if such purchase is made prior to January 31, 1980, and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (4) more Second Preferred Shares Series A are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series A so tendered by each of the holders of Second Preferred Shares Series A who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series A under the provisions of this paragraph (4), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

(5) The Corporation may not redeem the Second Preferred Shares Series A or any of them prior to January 31, 1980 other than for sinking fund purposes. Subject to the foregoing, and subject to the provisions of the foregoing paragraph (3) and in the manner provided in paragraph (6), the Corporation may redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series A, on payment of the following amounts for each share to be redeemed:

\$26.25 if redeemed on or before January 31, 1981;

\$26.00 if redeemed after that date but on or before January 31, 1982;

\$25.75 if redeemed after that date but on or before January 31, 1983;

\$25.50 if redeemed after that date but on or before January 31, 1984;

\$25.25 if redeemed after that date but on or before January 31, 1985; and

\$25.00 if redeemed after January 31, 1985

together in each case with all accrued and unpaid cumulative preferential dividends on such shares, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(6) In any case of redemption of Second Preferred Shares Series A under the provisions of paragraph (5), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series A to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series A. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series A held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series A to be redeemed the redemption price on presentation and surrender, at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series A called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being

in Canada. Such Second Preferred Shares Series A shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series A called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after mailing of notice of its intention to redeem any Second Preferred Shares Series A to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series A called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series A in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series A is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

(7) So long as any of the Second Preferred Shares Series A are outstanding, the Corporation shall make all reasonable efforts to purchase for cancellation in the open market 12,000 Second Preferred Shares Series A at such time or times in each of the four quarterly periods ending on the last day of May, August, November and February in each year as the Corporation in its discretion shall determine commencing with the quarterly period ending May 31, 1977, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding quarterly periods in the same year. If after all reasonable efforts the Corporation is unable so to purchase an aggregate of 48,000 Second Preferred Shares Series A in the four quarterly periods of any year, the Corporation's obligation to purchase Second Preferred Shares Series A with respect to that year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series A if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to any applicable law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (7) shall be null and void and of no effect. In this paragraph (7) "year" means 12 consecutive months beginning on the first day of March and ending on the last day of February.

- (8) So long as any of the Second Preferred Shares Series A are outstanding the Corporation shall not
- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series A) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series A with respect to payment of dividends, or
  - (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series A with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series A and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking on a parity with the said shares with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series A without the prior approval of the holders of the Second Preferred Shares Series A given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series A be increased without such approval; provided that nothing in this paragraph (9) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series A shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.



(10) The approval of the holders of the Second Preferred Shares Series A with respect to any and all matters referred to in this Part III-A may be given in writing by the holders of not less than two-thirds (2/3) of the Second Preferred Shares Series A for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series A duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series A then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series A then outstanding are not present in person or so represented by proxy within thirty (30) minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than fifteen (15) days later, and to such time and place as may be fixed by the Chairman of such meeting and, at such adjourned meeting, the holders of Second Preferred Shares Series A present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series A then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series A. Notice of any such original meeting of the holders of the Second Preferred Shares Series A shall be given not less than fifteen (15) days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than ten (10) days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series A present in person or so represented by proxy shall be entitled to one (1) vote in respect of each Second Preferred Share Series A held by each of such holders respectively.

(11) The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series A given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

#### III-B Series Second Preferred Shares, 9.24% Series B

One million six hundred thousand (1,600,000) of the Series Second Preferred Shares are designated 9.24% Cumulative Redeemable Second Preferred Shares Series B (the "Second Preferred Shares Series B"). In addition to the rights, restrictions, conditions, limitations and prohibitions attaching to the Series Second Preferred Shares as a class, the rights, restrictions, conditions, limitations and prohibitions attaching to the Second Preferred Shares Series B shall be as follows:

(1) The holders of the Second Preferred Shares Series B shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at the rate of two dollars thirty-one cents (\$2.31) per share per annum payable quarterly on the 25th days of January, April, July and October in each year, commencing April 25, 1977. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series B shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date be so determined then from the date of allotment. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series B then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. The holders of the Second Preferred Shares Series B shall not be entitled to any dividend other than or in excess of such cumulative preferential cash dividends. Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of such dividends and payment of the cheques shall satisfy the dividends.

(2) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series B shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1.25 per share if such event commences prior to December 21, 1981, and if such event commences after that date, an

additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series B, if such shares were to be redeemed in accordance with paragraph (5) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property of assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series B in any respect. After payment to the holders of the Second Preferred Shares Series B of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(3) So long as any of the Second Preferred Shares Series B are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series B and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series B with respect to payment of dividends then outstanding, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.

(4) Subject to the provisions of paragraph (3) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series B outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series B outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding twenty-six dollars twenty-five cents (\$26.25) per share if such purchase is made prior to December 21, 1981, and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (4) more Second Preferred Shares Series B are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series B so tendered by each of the holders of Second Preferred Shares Series B who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series B under the provisions of this paragraph (4), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

(5) The Corporation may not redeem the Second Preferred Shares Series B or any of them prior to December 21, 1981. Subject to the foregoing, and subject to the provisions of the foregoing paragraph (3) and in the manner provided in paragraph (6), the Corporation may redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series B, on payment of the following amounts for each share to be redeemed:

\$26.25 if redeemed on or before December 21, 1982;

\$26.00 if redeemed after that date but on or before December 21, 1983;

\$25.75 if redeemed after that date but on or before December 21, 1984;

\$25.50 if redeemed after that date but on or before December 21, 1985;

\$25.25 if redeemed after that date but on or before December 21, 1986; and

\$25.00 if redeemed after December 21, 1986

together in each case with all accrued and unpaid cumulative preferential dividends on such shares, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(6) In any case of redemption of Second Preferred Shares Series B under the provisions of paragraph (5), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series B to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series B. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series B held by the person to whom it is addressed is to

be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series B to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series B called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series B shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series B called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series B to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series B called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series B in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series B is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

(7) So long as any of the Second Preferred Shares Series B are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market 12,000 Second Preferred Shares Series B at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter ending March 31, 1977, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. If after all reasonable efforts the Corporation is unable so to purchase an aggregate of 48,000 Second Preferred Shares Series B in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series B with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series B if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to any applicable law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (7) shall be null and void and of no effect.

- (8) So long as any of the Second Preferred Shares Series B are outstanding the Corporation shall not
- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series B) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series B with respect to payment of dividends, or
  - (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series B with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series B and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series B with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing sub-paragraphs (a) and (b).

(9) No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series B without the prior approval of the holders of the Second Preferred Shares Series B given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series B be increased without such approval; provided that nothing in this paragraph (9) shall prevent the

Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series B shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.

(10) The approval of the holders of the Second Preferred Shares Series B with respect to any and all matters referred to in this Part III-B may be given in writing by the holders of not less than two-thirds (2/3) of the Second Preferred Shares Series B for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series B duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series B then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series B then outstanding are not present in person or so represented by proxy within thirty (30) minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than fifteen (15) days later, and to such time and place as may be fixed by the Chairman of such meeting and, at such adjourned meeting, the holders of Second Preferred Shares Series B present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series B then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series B. Notice of any such original meeting of the holders of the Second Preferred Shares Series B shall be given not less than fifteen (15) days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than ten (10) days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series B present in person or so represented by proxy shall be entitled to one (1) vote in respect of each Second Preferred Share Series B held by each of such holders respectively.

(11) The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series B given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

#### III-C Series Second Preferred Shares, 7.30% Series C

One million one hundred ninety-four thousand eight hundred eighty (1,194,880) of the Series Second Preferred Shares are designated 7.30 Cumulative Redeemable Second Preferred Shares Series C (the "Second Preferred Shares Series C"). In addition to the rights, restrictions, conditions, limitations and prohibitions attaching to the Series Second Preferred Shares as a class, the rights, restrictions, conditions, limitations and prohibitions attaching to the Second Preferred Shares Series C shall be as follows:

(1) The holders of the Second Preferred Shares Series C shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at the rate of one dollar and 82.50 cents (\$1.8250) per share per annum payable quarterly on the first days of February, May, August and November in each year, the first dividend to be payable on February 1, 1978. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series C shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date be so determined then from the date of allotment. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series C then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. The holders of the Second Preferred Shares Series C shall not be entitled to any dividend other than or in excess of such cumulative preferential cash dividends. Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of such dividends and payment of the cheques shall satisfy the dividends.

(2) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series C shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for

such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to November 15, 1982, and if such event commences after that date, an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series C, if such shares were to be redeemed in accordance with paragraph (5) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series C in any respect. After payment to the holders of the Second Preferred Shares Series C of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(3) So long as any of the Second Preferred Shares Series C are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series C and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series C with respect to payment of dividends then outstanding, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.

(4) Subject to the provisions of paragraph (3), and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series C outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series C outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding twenty-six dollars (\$26.00) per share if such purchase is made prior November 15, 1982, and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (4) more Second Preferred Shares Series C are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series C so tendered by each of the holders of Second Preferred Shares Series C who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series C under the provisions of this paragraph (4), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

(5) The Corporation may not redeem the Second Preferred Shares Series C or any of them prior to November 15, 1982. Subject to the foregoing, and subject to the provisions of the foregoing paragraph (3) and in the manner provided in paragraph (10), the Corporation may redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series C, out of the capital or otherwise, on payment of the following amounts for each share to be redeemed:

\$26.00 if redeemed on or before November 15, 1983;

\$25.80 if redeemed after that date but on or before November 15, 1984;

\$25.60 if redeemed after that date but on or before November 15, 1985;

\$25.40 if redeemed after that date but on or before November 15, 1986;

\$25.20 if redeemed after that date but on or before November 15, 1987; and

\$25.00 if redeemed after November 15, 1987

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(6) In any case of redemption of Second Preferred Shares Series C under the provisions of paragraph (5), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series C to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series C. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder,

provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series C held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series C to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series C called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series C shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series C called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series C to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series C called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares C in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series C is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

(7) So long as any of the Second Preferred Shares Series C are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market 9,000 Second Preferred Shares Series C at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter ending March 31, 1978, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. If after all reasonable efforts the Corporation is unable so to purchase an aggregate of 36,000 Second Preferred Shares Series C in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series C with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series C if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to any applicable law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (7) shall be null and void and of no effect.

- (8) So long as any of the Second Preferred Shares Series C are outstanding the Corporation shall not
- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series C) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series C with respect to payment of dividends, or
  - (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series C with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series C and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series C with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing sub-paragraphs (a) and (b).

(9) No class of shares may be created or issued ranking as to repayment of capital or payment of dividends

prior to or on a parity with the Second Preferred Shares Series C without the prior approval of the holders of the Second Preferred Shares Series C given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series C be increased without such approval; provided that nothing in this paragraph (9) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series C shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.

(10) The approval of the holders of the Second Preferred Shares Series C with respect to any and all matters referred to in this Part III-C may be given in writing by the holders of not less than two-thirds (2/3) of the Second Preferred Shares Series C for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series C duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series C then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series C then outstanding are not present in person or so represented by proxy within thirty (30) minutes after the time fixed for the meeting then the meeting shall be adjourned to such date, being not less than fifteen (15) days later, and to such time and place as may be fixed by the Chairman of such meeting and, at such adjourned meeting, the holders of Second Preferred Shares Series C present in person or so represented by proxy whether or not they hold more or less than a majority of all Second Preferred Shares Series C then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series C. Notice of any such original meeting of the holders of the Second Preferred Shares Series C shall be given not less than fifteen (15) days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than ten (10) days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series C present in person or so represented by proxy shall be entitled to one (1) vote in respect of each Second Preferred Share Series C held by each of such holders respectively.

(11) The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series C given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

#### III-D Series Second Preferred Shares, Series D

2,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series D (the "Second Preferred Shares Series D"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series D shall be as follows:

(1) (a) The holders of the Second Preferred Shares Series D shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, except as otherwise provided for in paragraph (1)(b), at the rate of \$2.56 per share per annum payable quarterly on the first days of March, June, September and December (the "Dividend Payment Dates") in each year, the first Dividend Payment Date to be September 1, 1980. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series D shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date be so determined then from the date of issue.

(b) Notwithstanding the provisions of paragraph (1)(a) and subject to fulfilling the conditions set out below, the board of directors may increase the dividend rate applicable to the Second Preferred Shares Series D commencing with the dividend payable on September 1, 1985 and the board of directors may increase or decrease the dividend rate applicable to the Second Preferred Shares Series D commencing with the dividend payable on September 1, 1990, except where the dividend rate is to be changed and the condition set out in this paragraph (1)(b)(ii) is not fulfilled, then commencing on the Dividend Payment Date next

following the date when the Corporation fulfills that condition. The Corporation shall file a copy of the resolution of the board of directors providing for the change in the dividend rate with the transfer agent for the Second Preferred Shares Series D. In order for a change in the dividend rate under this paragraph (1)(b) to be effective, the following conditions must be fulfilled:

(i) the Corporation shall give notice to all the holders of Second Preferred Shares Series D in accordance with the provisions of paragraph (2)(b) and shall set out in the notice its intention to change the dividend rate and particulars of the change; and

(ii) where the Corporation intends to change the dividend rate, the Corporation shall redeem all the Second Preferred Shares Series D duly deposited by the holders of Second Preferred Shares Series D pursuant to the retraction privilege which requires the Corporation to redeem all or any of his Second Preferred Shares Series D on the retraction date.

(c) If on any Dividend Payment Date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series D then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. The holders of the Second Preferred Shares Series D shall not be entitled to any dividend other than or in excess of the fixed cumulative preferential cash dividends provided for in paragraph (1) (a) and (1)(b).

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends on the Second Preferred Shares Series D and payment of the cheques shall satisfy the dividends.

(2) (a) A holder of Second Preferred Shares Series D shall have the privilege (a "retraction privilege") of requiring the Corporation to redeem all or any of his Second Preferred Shares Series D on (i) June 1, 1985 and (ii) June 1, 1990 (June 1, 1985 and June 1, 1990 are referred to individually as a "retraction date") at a price (a "redemption price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series D are outstanding, during the 30 day period ending 30 days prior to a retraction date, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series D a notice in writing giving details of the retraction privilege and specifying a place or places for the deposit by such holder of the certificate or certificates representing the Second Preferred Shares Series D which such holder desires to have the Corporation redeem on such retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be May 31, 1985 in the case of the retraction privilege with the June 1, 1985 retraction date and May 31, 1990 in the case of the retraction privilege with the June 1, 1990 retraction date, and, if the Corporation determines under the provisions of this paragraph (2)(b) that it will not be permitted to redeem all the Second Preferred Shares Series D then outstanding, the statement required under the provisions of paragraph (2)(c). Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of a retraction privilege, a change in the dividend rate or a change in the redemption, purchase for cancellation and rights on liquidation provisions. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series D by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph (2)(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required. On or before the date so specified for such deposit a holder of Second Preferred Shares Series D desiring to exercise such retraction privilege shall deposit the



certificate or certificates representing the Second Preferred Shares Series D to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series D represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the redemption price as set out in paragraph (2)(a) on the redemption of the Second Preferred Shares Series D to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series D shall then be and be deemed to be redeemed and shall be cancelled.

(c) Subject as provided in this paragraph (2)(c), the Corporation shall on each retraction date redeem all Second Preferred Shares Series D in respect of which holders shall have duly exercised such retraction privilege. Upon payment as set out in paragraph (2)(b) by the Corporation of the redemption price as set out in paragraph (2)(a) for the Second Preferred Shares Series D so redeemed, the Second Preferred Shares Series D redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice of a relevant retraction in accordance with paragraph (2)(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law and under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series D then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series D which it then believes it will be permitted to redeem on the applicable retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series D in respect of which the holders thereof have exercised their rights under any retraction privilege would be contrary to any of the aforementioned provisions of law or any trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provision of any trust indenture securing bonds, debentures or other securities of the Corporation in respect of which the holders thereof have exercised their rights under any retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law of any trust indenture, from purchasing the lesser of (i) the Second Preferred-Sharps Series D then outstanding and (ii), 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series D a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series D by the Corporation on the first Dividend Payment Date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first Dividend Payment Date, in accordance with the provisions of paragraph (2)(b), except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first Dividend Payment Date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

(3) (a) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series D shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, subject to the provisions of paragraph (3)(b), an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 1985 and if such event commences after that date, an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series D, if such shares were to be redeemed in accordance with paragraph (6) at the date of

commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series D in any respect. After payment to the holders of the Second Preferred Shares Series D of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

- (3) (b) If in accordance with the provisions of paragraph (6)(b), the board of directors (i) either extends the period during which the Second Preferred Shares Series D will not be redeemable so that the period ends on a date (the "New Termination Date") later than June 1, 1985 or (ii) increases the redemption price for any subsequent period or periods, or (iii) takes the actions contemplated under both clause (i) and (ii), then (x) if there is a New Termination Date under clause (i), then June 1, 1985 shall be changed to the New Termination Date and (y) if the redemption price under clause (ii) is increased and that increase results in a redemption price under paragraph (6)(a) equal to an amount in excess of \$26.00 excluding dividends if redemption takes place either on the first day after the New Termination Date, or on June 2, 1985 if there is no New Termination Date, then the additional amount as a premium would equal \$1.00 plus the difference between the new redemption price under paragraph (6)(a) excluding dividends and \$26.00.
- (4) So long as any of the Second Preferred Shares Series D are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series D and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series D with respect to payment of dividends then outstanding, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.
- (5) (a) Subject to the provisions of paragraph (4), and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series D outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series D outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding, subject to the provisions of paragraph (5)(b), \$26.00 per share if such purchase is made prior to June 1, 1985 and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (5)(a) more Second Preferred Shares Series D are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series D so tendered by each of the holders of Second Preferred Shares Series D who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series D under the provisions of this paragraph (5)(a), the shares so purchased shall be deemed to be redeemed and shall be cancelled.
- (5) (b) If in accordance with the provisions of paragraph (6)(b), the board of directors (i) either extends the period during which the Second Preferred Shares Series D will not be redeemable so that the period ends on a New Termination Date defined in paragraph (3)(b) or (ii) increases the redemption price for any subsequent period or periods, or (iii) takes the actions contemplated under both clause (i) and (ii), then (x) if there is a New Termination Date under clause (i), then June 1, 1985 shall be changed to the New Termination Date and (y) if the redemption price under clause (ii) is increased and that increase results in a redemption price under paragraph (6)(a) equal to an amount in excess of \$26.00 excluding dividends if redemption takes place either on the first day after the New Termination Date, or on June 2, 1985 if there is no New Termination Date, then \$26.00 per share shall be changed to that new redemption price.
- (6) (a) Subject to the provisions of paragraph (6)(b), the Corporation may not redeem the Second Preferred Shares Series D or any of them prior to June 1, 1985. Subject to the foregoing, and subject to the provisions of the foregoing paragraph (4) and in the manner provided in paragraph (11), the Corporation may redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series D, on payment of the following amounts for each share to be redeemed:

- \$26.00 if redeemed on or before May 31, 1986;
- \$25.80 if redeemed after that date but on or before May 31, 1987;
- \$25.60 if redeemed after that date but on or before May 31, 1988;
- \$25.40 if redeemed after that date but on or before May 31, 1989;
- \$25.20 if redeemed after that date but on or before May 31, 1990; and
- \$25.00 if redeemed after May 31, 1991

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

- (6) (b) Subject to fulfilling the condition set out below, on or before May 1, 1985, the board of directors may extend the period during which the Second Preferred Shares Series D will not be redeemable and may increase the redemption price for any subsequent period or periods. The Corporation shall file a copy of the resolution of the board of directors providing for such changes with the transfer agent for the Second Preferred Shares Series D. In order for the changes under this paragraph (6)(b) to be effective, during the 30 day period ending 30 days prior to June 1, 1985, the Corporation shall give notice to all the holders of Second Preferred Shares Series D in accordance with the provisions of paragraph (2)(b) and shall set out in the notice its intention to extend the period during which the Second Preferred Shares Series D will not be redeemable and increase the redemption price for any subsequent period or periods. If the changes under this paragraph (6)(b) are effective, then to the extent appropriate the changes under paragraphs (3)(b) and (5)(b) will be effective.

(7) In any case of redemption of Second Preferred Shares Series D under the provisions of paragraph (6) the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series D to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series D. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series D held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series D to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series D called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series D shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series D called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series D to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series D called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series D in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series D is at any time to be redeemed, the shares so to be redeemed shall be

selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

(8) So long as any of the Second Preferred Shares Series D are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market a prescribed number of Second Preferred Shares Series D, as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter commencing July 1, 1980, if and to the extent that such shares are available, at a price or prices not exceeding \$25.00 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series D which the Corporation shall make all reasonable efforts to so purchase in each calendar quarter shall be:

(i) during the period commencing July 1, 1980 and ending June 30, 1985, 2,500 Second Preferred Shares Series D;

(ii) during the period commencing July 1, 1985 and ending June 30, 1990, 3/16 of 1% of the number of Second Preferred Shares Series D outstanding at the close of business on June 1, 1985; and

(iii) commencing July 1, 1990 and thereafter, 5/16% of the number of Second Preferred Shares Series D outstanding at the close of business on June 1, 1990.

If after all reasonable efforts the Corporation is unable so to purchase the aggregate number of Second Preferred Shares Series D in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series D with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series D if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to any applicable law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (8) shall be null and void and of no effect.

(9) So long as any of the Second Preferred Shares Series D are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series D) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series D with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series D with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series D and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series D with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(10) No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series D without the prior approval of the holders of the Second Preferred Shares Series D given as specified in paragraph (11); nor shall the number of Second Preferred Shares Series D be increased without such approval; provided that nothing in this paragraph (10) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series D shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.

(11) The approval of the holders of the Second Preferred Shares Series D with respect to any and all matters referred to in this Part III-D may be given in writing by the holders of not less than 2/3 of the Second Preferred Shares Series D for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series D duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all

Second Preferred Shares Series D then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series D then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the Chairman of such meeting and at such adjourned meeting, the holders of Second Preferred Shares Series D present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series D then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series D. Notice of any such original meeting of the holders of the Second Preferred shares Series D shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series D present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series D held by each of such holders respectively.

(12) The provisions of paragraphs (1) to (11), inclusive, and of this paragraph (12), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series D given as specified in paragraph (11) in addition to any other approval required by the Canada Business Corporations Act.

#### III-E Series Second Preferred Shares, Series E

2,200,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series E (the "Second Preferred Shares Series E"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series E shall be as follows:

##### (1) Dividends

(a) The holders of the Second Preferred Shares Series E shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$2.53 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on June 1, 1981. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series E then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series E shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before February 1, 1988, effective as at the retraction date (as defined in paragraph (2)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series E are to be paid at an annual rate higher than \$2.53 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series E provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares E in the invitation to tender to be sent by the Corporation to all such holders in respect of such retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for the change in the dividend rate with the transfer agent for the Second Preferred Shares Series E.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series E or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series E that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series E shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

(a) A holder of Second Preferred Shares Series E shall have the privilege (a "retraction privilege") of requiring the Corporation to redeem all or any of his Second Preferred Shares Series E on March 1, 1988 (the "retraction date") at a price (a "redemption price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series E are outstanding, during the 30 day period ending February 1, 1988, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series E a written notice giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series E which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be February 29, 1988.

Such notice will also contain, if the Corporation determines under the provisions of paragraph (2)(c) that it will not be permitted to redeem all the Second Preferred Shares Series E then outstanding, the statement required under the provisions of paragraph (2)(c).

On or before February 29, 1988 a holder of Second Preferred Shares Series E desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series E to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series E represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificates shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the redemption price on the redemption of the Second Preferred Shares Series E to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series E shall then be and be deemed to be redeemed and shall be cancelled.

Any notice given by the Corporation pursuant to this paragraph (2)(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series E by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph (2)(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph (2)(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series E in respect of which holders shall have duly exercised the retraction privilege. Upon

payment as set out in paragraph (2)(b) by the Corporation of the redemption price for the Second Preferred Shares Series E so redeemed, the Second Preferred Shares Series E redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph (2)(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series E then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series E which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series E in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provision of any trust indenture securing bonds, debentures or other securities of the Corporation in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture, from purchasing the lesser of (i) the Second Preferred Shares Series E then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series E a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series E by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph (2)(b) shall apply to such retraction privilege *mutatis mutandis*, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series E outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series E outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$26 per share if such purchase is made prior to March 1, 1986 and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series E are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series E so tendered by each of the holders of Second Preferred Shares Series E who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series E under the provisions of this paragraph (3), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series E or any of them prior to March 1, 1986. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b), redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series E, on payment of the following amounts for each share to be redeemed:

If redeemed in the 12 months beginning March 1	Redemption price
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1986	\$26.00
1987	25.80
1988	25.60
1989	25.40
1990	25.20
1991 and thereafter	25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series E under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series E to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series E. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series E held by the person to whom it is addressed is to be redeemed the number so to be redeemed on or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series E to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series E called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series E shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series E called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series E to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series E called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series E in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series E is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series E are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market a prescribed number of Second Preferred Shares Series E, as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning April 1, 1981, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second



Preferred Shares Series E which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be:

(i) during the period commencing April 1, 1981 and ending March 31, 1988, 11,000 Second Preferred Shares Series E ; and

(ii) commencing April 1, 1988 and thereafter, 1% of the number of Second Preferred Shares Series E outstanding at the close of business on March 1, 1988.

If after all reasonable efforts the Corporation is unable so to purchase the aggregate number of Second Preferred Shares Series E in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series E with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series E if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

(6) Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series E shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount as a premium equal to \$1.00 per share if such event commences prior to March 1, 1986 and if such event commences after that date, an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series E, if such shares were to be redeemed in accordance with paragraph (4) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series E in any respect. After payment to the holders of the Second Preferred Shares Series E of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series E are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series E and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series E with respect to payment of dividends then outstanding, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series E are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series E) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series E with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series E with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series E and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series E with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series E without the prior approval of the holders of the Second Preferred Shares Series E given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series E be increased without such approval; provided that nothing in this paragraph (9) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series E shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of First Preferred Shares Series E

The approval of the holders of the Second Preferred Shares Series E with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series E for the time being outstanding or by resolution duly passed and carried by not less than  $\frac{2}{3}$  of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series E duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series E then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series E then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the Chairman of such meeting and at such adjourned meeting, the holders of Second Preferred Shares Series E present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series E then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than  $\frac{2}{3}$  of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series E. Notice of any such original meeting of the holders of the Second Preferred Shares Series E shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series E present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series E held by each of such holders respectively.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series E given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

III-F Series Second Preferred Shares, Series F

3,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series F (the "Second Preferred Shares Series F"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series F shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series F shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$3.50 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of April, July, October and January, (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on January 1, 1982. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series F then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series F shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before August 28, 1984 or August 29, 1989 effective as at the corresponding retraction date (as defined in paragraph (2)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series F are to be paid at an annual rate higher than \$3.50 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series F provisions. In the event that the directors so determine to increase the dividend rate as at a retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series F in the invitation to tender to be sent by the Corporation to all such holders in respect of such retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series F.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series F or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series F that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series F shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

(a) A holder of Second Preferred Shares Series F shall have the privilege (a "retraction privilege") of requiring the Corporation to redeem all or any of his Second Preferred Shares Series F on October 1, 1984 and October 1, 1989 (October 1, 1984 and October 1, 1989 are referred to individually as a "retraction date") at a price (a "redemption price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series F are outstanding, during the 30 day period ending August 28, 1984 and August 29, 1989, as the case may be, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series F a written notice giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series F which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date (each of which is called a "deposit date") shall be September 28, 1984 in the case of the retraction privilege with the October 1, 1984 retraction date and September 29, 1989 in the case of the retraction privilege with the October 1, 1989 retraction date. Such notice will also contain, if the Corporation determines under the provisions of paragraph (2)(c) that it will not be permitted to redeem all the Second Preferred Shares Series F then outstanding, the statement required under the provisions of paragraph (2)(c).

On or before the applicable deposit date, a holder of Second Preferred Shares Series F desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series F to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred

Shares Series F represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificates shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the redemption price on the redemption of the Second Preferred Shares Series F to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series F shall then be and be deemed to be redeemed and shall be cancelled.

Any notice given by the Corporation pursuant to this paragraph (2)(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of a retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series F by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph (2)(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph (2)(c), the Corporation shall on each retraction date redeem all Second Preferred Shares Series F in respect of which holders shall have duly exercised a retraction privilege. Upon payment as set out in paragraph (2)(b) by the Corporation of the redemption price for the Second Preferred Shares Series F so redeemed, the Second Preferred Shares Series F redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph (2)(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series F then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series F which it then believes it will be permitted to redeem on the applicable retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series F in respect of which the holders thereof have exercised their rights under any retraction privilege would be contrary to any of the aforementioned provisions of law or any trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provision of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series F in respect of which the holders thereof have exercised their rights under any retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture, from purchasing the lesser of (i) the Second Preferred Shares Series F then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series F a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series F by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph (2)(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series F outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series F outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$26 per share if such purchase is made prior to October 1, 1986 and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series F are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series F so tendered by each of the holders of Second Preferred Shares Series F who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series F under the provisions of this paragraph (3), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

(4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series F or any of them prior to October 1, 1986. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b), redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series F, on payment of the following amounts for each share to be redeemed:

If redeemed in the 12 months beginning October 1      Redemption price

1986	\$26.00
1987	25.80
1988	25.60
1989	25.40
1990	25.20
1991 and thereafter	25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series F under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series F to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series F. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series F held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series F to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series F called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series F shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificates shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series F called for redemption shall cease to be entitled to dividends and the holders shall not be

entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series F to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series F called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series F in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to the provisions of the Canada Business Corporations Act as they may be applicable, in case a part only of the then outstanding Second Preferred Shares Series F is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or if the directors so decide, may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series F are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market a prescribed number of Second Preferred Shares Series F, as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning January 1, 1982, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series F which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be:

- (i) during the period commencing January 1, 1982 and ending September 30, 1984, 1% of the number of Second Preferred Shares Series F originally issued (4% per annum);
- (ii) during the period commencing October 1, 1984 and ending September 30, 1989, 1% of the number of Second Preferred Shares Series F outstanding immediately after the retraction on October 1, 1984; and
- (iii) commencing October 1, 1989 and thereafter, 1% of the number of Second Preferred Shares Series F outstanding immediately after the retraction on October 1, 1989.

If after all reasonable efforts the Corporation is unable so to purchase the aggregate number of Second Preferred Shares Series F in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series F with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series F if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

#### (6) Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series F shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount as a premium equal to \$1.00 per share if such event commences prior to October 1, 1986 and if such event commences after that date, an additional amount equal to the premium

which would be payable as part of the redemption price of such Second Preferred Shares Series F, if such shares were to be redeemed in accordance with paragraph (4) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series F in any respect. After payment to the holders of the Second Preferred Shares Series F of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series F are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series F and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series F with respect to payment of dividends then outstanding, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series F are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series F) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series F with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series F with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series F and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series F with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series F without the prior approval of the holders of the Second Preferred Shares Series F given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series F be increased without such approval; provided that nothing in this paragraph (9) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series F shall have been paid, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series F

The approval of the holders of the Second Preferred Shares Series F with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series F for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series F duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series F then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series F then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the Chairman of such meeting and at such adjourned meeting, the holders of Second Preferred Shares Series F present in person or so represented by proxy,

whether or not they hold more or less than a majority of all Second Preferred Shares Series F then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series F. Notice of any such original meeting of the holders of the Second Preferred Shares Series F shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series F present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series F held by each of such holders respectively.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series F given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

III-G Series Second Preferred Shares, Series G

2,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series G (the "Second Preferred Shares Series G"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series G shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series G shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$3.625 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of May, August, November and February, (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on May 1, 1982. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series G then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series G shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before March 24, 1987 effective as at the retraction date (as defined in paragraph 2.01(a), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series G are to be paid at an annual rate higher than \$3.625 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series G provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series G in the invitation to tender to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series G.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series G or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series G that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares



Series G shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series G shall have the privilege (a "retraction privilege") of requiring the Corporation to redeem all or any of his Second Preferred Shares Series G on May 1, 1987 (the "retraction date") at a price (a "redemption price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series G are outstanding, during the 30 day period ending March 24, 1987 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series G a written notice (the "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series G which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be April 24, 1987. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series G then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(g)(i) hereof if the Corporation elects to issue Additional Shares (as hereinafter defined) pursuant hereto.

On or before April 24, 1987, a holder of Second Preferred Shares Series G desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series G to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series G represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificates shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the redemption price on the redemption of the Second Preferred Shares Series G to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series G shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series G by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series G in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the redemption price for the Second Preferred

Shares Series G so redeemed, the Second Preferred Shares Series G redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series G then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series G which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series G in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series G in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series G then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series G a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series G by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(e) The directors of the Corporation may at their option on or before March 24, 1987, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series G shall have the right to exchange Second Preferred Shares Series G on the basis of one share of the Additional Series for each Second Preferred Share Series G.

(f) On any such exchange of Second Preferred Shares Series G, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series G exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(g) The Corporation may issue the Additional Series only if:

(i) The directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series G the right to exchange described in paragraph 2.01(e);

(ii) the Corporation obtains, effective on or before April 24, 1987, Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series G outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment), and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series including the period during which Second Preferred Shares Series G will be exchangeable into shares of the Additional Series (which period shall commence no later than May 1, 1987, (the retraction date) and end no earlier than June 1, 1987) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected including a statement that the holders of the Second Preferred Shares Series G will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the

certificates to be exchanged with the transfer agent for the Second Preferred Shares Series G on or before April 24, 1987;

(iii) all dividends then payable on the Second Preferred Shares Series G then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series G accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series G into shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series G appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series G are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series G are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series G outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series G outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$26 per share if such purchase is made prior to May 1, 1987 and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series G are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series G so tendered by each of the holders of Second Preferred Shares Series G who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series G under the provisions of this paragraph (3), the shares so purchased shall be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series G or any of them prior to May 1, 1987. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b), redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series G, on payment of the following amounts for each share to be redeemed:

If redeemed in the 12 months beginning May 1	Redemption price
1987	\$26.00
1988	25.80
1989	25.60
1990	25.40
1991	25.20
1992 and thereafter	25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series G under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series G to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series G. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series G held by the person to whom it is addressed is to be redeemed the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series G to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series G called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series G shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series G called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series G to deposit the redemption price of the shares so called for redemption or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series G called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series G in respect of which such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series G is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Purchase obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series G are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series G as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning April 1, 1982, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series G which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be:

- (i) during the period commencing April 1, 1982 and ending April 30, 1987, 1% (4% per annum) of the number of Second Preferred Shares Series G originally issued;
- (ii) commencing May 1, 1987 and thereafter, 1% (4% per annum) of the number of Second Preferred Shares Series G outstanding immediately after the retraction date on May 1, 1987.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series G in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series G with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series G if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

(6) Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series G shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount as a premium equal to \$1 per share if such event commences prior to May 1, 1987 and if such event commences after that date, an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series G, if such shares were to be redeemed in accordance with paragraph (4) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series G in any respect. After payment to the holders of the Second Preferred Shares Series G of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series G are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series G and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series G then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series G are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series G) on the common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series G with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series G with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series G and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series G with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series G without the prior approval of the holders of the Second

Preferred Shares Series G given as specified in paragraph (10); nor shall the number of Second Preferred Shares Series G be increased without such approval; provided that nothing in this paragraph (9) shall prevent the Corporation from creating additional Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series G shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series G

The approval of the holders of the Second Preferred Shares Series G with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series G for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series G duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series G then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series G then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the Chairman of such meeting and at such adjourned meeting, the holders of Second Preferred Shares Series G present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series G then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series G. Notice of any such original meeting of the holders of the Second Preferred Shares Series G shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series G present in person or so represented by proxy shall be entitled to one vote in respect of each Second Preferred Share Series G held by each of such holders respectively.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment but only with the prior approval of the holders of the Second Preferred Shares Series G given as specified in paragraph (10) in addition to any other approval required by the Canada Business Corporations Act.

III-H Series Second Preferred Shares, Series H

12,971,900 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series H (the "Second Preferred Shares Series H"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series H shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series H shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$2.0025 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of February, May, August and November (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on February 1, 1983. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series H then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series H

shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before September 26, 1987, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series H are to be paid at an annual rate higher than \$2.0025 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series H provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series H in the invitation to tender to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series H.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series H or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series H that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series H shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series H shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series H on November 1, 1987 (the "retraction date") at a price (the "retraction price") of \$22.25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series H are outstanding, during the 30 day period ending September 26, 1987 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series H a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series H which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be October 26, 1987. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series H then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before October 26, 1987, a holder of Second Preferred Shares Series H desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series H to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series H represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series H to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series H shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series H by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series H in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series H so redeemed, the Second Preferred Shares Series H redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series H then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series H which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series H in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series H in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series H then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series H a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series H by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$22.25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege *mutatis mutandis*, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

(e) In addition to the right of retraction set out in paragraph 2.01(a), a person holding Warrants (as described in paragraph (10)) shall have the privilege (the "Warrant retraction privilege") on or before November 1, 1987, upon exercise of the Warrants and in connection with the right to do so attaching to such Warrants, of requiring the Corporation to redeem one Second Preferred Share Series H for each Warrant exercised at a price (the "Warrant retraction price") of \$22.25 per share plus accrued and unpaid dividends, if any, to the last quarterly dividend payable prior to the dividend quarter in which the Warrant retraction privilege is exercised. No dividend shall be payable on any Series H Preferred Share redeemed pursuant to this paragraph 2.01(e) for the dividend quarter in which such Warrant retraction privilege is exercised.

The Warrant retraction privilege shall be exercised by deposit of the certificate or certificates representing the Second Preferred Shares Series H to be redeemed, together with a written notice signed by the holder requesting



redemption of the Second Preferred Shares Series H represented by such certificate or certificates, or such lesser number thereof as may be specified in such notice, with the Warrant Trustee (as defined in paragraph (10)) who shall thereupon forward same to or to the order of the Corporation. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the Warrant Trustee as provided in the Warrant Indenture (as defined in paragraph (10)) of the Warrant retraction price on the redemption of the Second Preferred Shares Series H to be redeemed. Such Second Preferred Shares Series H shall then be and be deemed to be redeemed and shall be cancelled.

Subject as provided in this paragraph 2.01(e), the Corporation shall redeem all Second Preferred Shares Series H in respect of which the Warrant retraction privilege shall have been duly exercised. Upon payment as set out herein by the Corporation of the Warrant retraction price for the Second Preferred Shares Series H so redeemed, the Second Preferred Shares Series H redeemed shall cease to be entitled to dividends as and from the dividend quarter in which such Warrant retraction privilege is exercised and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If at any given time the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series H in respect of which the Warrant retraction privilege has been exercised, the Corporation shall so advise the Warrant Trustee and provide it with a statement of the maximum number of Second Preferred Shares Series H which it then believes it will be permitted to redeem and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series H in respect of which the Warrant retraction privilege has been exercised would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series H in respect of which the Warrant retraction privilege shall have been exercised, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing a number of Second Preferred Shares Series H, the Corporation shall give notice in writing of same to the Warrant Trustee stating the number of Second Preferred Shares Series H which may be redeemed; provided, however, that no such notice need be given to the Warrant Trustee after expiration of the Warrants on November 1, 1987.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before September 26, 1987, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series H shall have the right to exchange Second Preferred Shares Series H on the basis of one share of the Additional Series for each Second Preferred Share Series H.

(b) On any such exchange of Second Preferred Shares Series H, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series H exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) The directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series H the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before October 26, 1987, Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series H outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment) and setting forth the rights, privileges, restrictions and

conditions attaching thereto as a series including the period during which Second Preferred Shares Series H will be exchangeable into shares of the Additional Series (which period shall commence no later than November 1, 1987 (the retraction date) and end no earlier than December 1, 1987) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected including a statement that the holders of the Second Preferred Shares Series H will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series H on or before October 26, 1987;

(iii) all dividends then payable on the Second Preferred Shares Series H then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series H accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series H into shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series H appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series H are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series H are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series H outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series H outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$22.25 per share, plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series H are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price, and then at higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase the Corporation will accept the shares tendered pro rata (disregarding fractions) according to the number of Second Preferred Shares Series H so tendered by each of the holders of Second Preferred Shares Series H who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series H under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) Except to fulfill its obligation in respect of the Warrant retraction privilege, the Corporation may not redeem the Second Preferred Shares Series H or any of them prior to November 1, 1987. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series H on payment of the sum of \$22.25 (the "redemption price") for each share to be redeemed, together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series H under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series H to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series H. Such a notice shall be mailed in a prepaid letter

addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series H held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series H to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series H called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series H shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series H called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series H to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series H called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series H in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series H is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series H are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series H as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning November 1, 1987, if and to the extent that such shares are available, at a price or prices not exceeding \$22.25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series H which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be 1% of the number of Second Preferred Shares Series H outstanding on November 1, 1987.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series H in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series H with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series H if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

#### (6) Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series H shall be entitled to receive the amount paid up on such shares

together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series H in any respect. After payment to the holders of the Second Preferred Shares Series H of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series H are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series H and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series H then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series H are outstanding the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series H) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series H with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series H with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series H and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series H with respect to payment of dividends then outstanding shall have been declared and paid at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series H without the prior approval of the holders of the Second Preferred Shares Series H given as specified in paragraph (11), nor shall the number of Second Preferred Shares Series H be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series H shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Right to Receive Warrants

Each holder of a Second Preferred Share Series H of record at the close of business on December 1, 1982 will receive by registered mail one Warrant for each Second Preferred Share Series H held. The Warrants will be evidenced by Warrant certificates. Prior to the close of business on December 1, 1982 the right of a holder of a Second Preferred Share Series H to receive Warrants shall not be transferable separately but only by and in connection with a transfer of a Second Preferred Share Series H held by such holder, and any transfer of a Second Preferred Share Series H on or prior to December 1, 1982 shall constitute a transfer of the right to receive such Warrants.

Each Warrant will entitle the holder to purchase 1 outstanding Class A Common Share of TransAlta Utilities Corporation ("TransAlta") owned by the Corporation at a price of \$22.25 at any time until expiry of the Warrants at 1600 hours, Edmonton time on November 1 1987. The Warrants will entitle the holders thereof to purchase an

aggregate number of Class A Common Shares of TransAlta equal to the number (the "Number") of Second Preferred Shares Series H issued and outstanding on December 1, 1982. The Corporation will deposit in escrow with The Canada Trust Company (the "Warrant Trustee") 11,431,651 TransAlta Class A Common Shares together with a number of \$1.40 Convertible Second Preferred Shares of TransAlta, convertible into Class A Common Shares of TransAlta as necessary, equal to the Number minus 11,431,651, in order to permit the full and effective satisfaction of the rights of purchase of all Warrants issued and outstanding.

The Warrants will be issued under and pursuant to an indenture (the "Warrant Indenture") dated as of November 3, 1982 between the Corporation and the Warrant Trustee. The Warrant Indenture will provide for the adjustment, upon the happening of certain events, of the number of TransAlta Class A Common Shares transferable upon the exercise of the Warrants, designed to protect the exercise rights of the holders of the Warrants against dilution.

#### (11) Sanction by Holders of Second Preferred Shares Series H

The approval of the holders of the Second Preferred Shares Series H with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series H for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series H duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series H then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series H then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series H present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series H then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series H. Notice of any such original meeting of the holders of the Second Preferred Shares Series H shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior, to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series H present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series H held by each of such holders respectively.

#### (12) Amendments

The provisions of paragraphs (1) to (11), inclusive, and of this paragraph (12), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series H given as specified in paragraph (11), in addition to any other approval required by the Canada Business Corporations Act.

#### III-I Series Second Preferred Shares, Series I

4,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series I (the "Second Preferred Shares Series I"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series I shall be as follows:

##### (1) Dividends

(a) The holders of the Second Preferred Shares Series I shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$2.185 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of February, May, August and November (the "dividend payment dates") in each year.

The first dividend, if declared, will be payable on February 1, 1984. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series I then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series I shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before September 25, 1991, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series I are to be paid at an annual rate higher than \$2.185 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series I provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series I in the invitation to tender to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series I.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series I or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series I that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series I shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends

(less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series I shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series I on November 1, 1991 (the "retraction date") at a price (the "retraction price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series I are outstanding, during the 30 day period ending September 25, 1991 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series I a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series I which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be October 25, 1991. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series I then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before October 25, 1991, a holder of Second Preferred Shares Series I desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series I to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series I represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance

shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series I to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series I shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series I by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series I in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series I so redeemed, the Second Preferred Shares Series I redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series I then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Share Series I which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series I in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series I in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series I then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series I a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series I by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before September 25, 1991, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series I shall have the right to exchange Second Preferred Shares Series I on the basis of one share of the Additional Series for each Second Preferred Share Series I.

(b) On any such exchange of Second Preferred Shares Series I, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series I exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series I the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before October 25, 1991, Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series I outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series including the period during which Second Preferred Shares Series I will be exchangeable into shares of the Additional Series (which period shall commence no later than November 1, 1991 (the retraction date) and end no earlier than December 1, 1991) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected including a statement that the holders of the Second Preferred Shares Series I will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series I on or before October 25, 1991;

(iii) all dividends then payable on the Second Preferred Shares Series I then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series I accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series I into shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series I appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series I are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series I are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series I outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series I outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$26 per share, if such purchase is made prior to November 1, 1988 and if such purchase is made after that date at a price or prices per share not exceeding the price per share at which, at the date of purchase, such shares are redeemable, plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second



Preferred Shares Series I are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series I so tendered by each of the holders of Second Preferred Shares Series I who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series I under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series I or any of them prior to November 1, 1988. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series I on payment of the following amounts (the "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning November 1, Redemption Price

1988	\$26.00
1989	\$25.80
1990	\$25.60
1991	\$25.40
1992	\$25.20
1993 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series I under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series I to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series I. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series I held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series I to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Share Series I called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series I shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series I called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series I to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series I called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series I in respect of which such

deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series I is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series I are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series I as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning January 1, 1984, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series I which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be:

- (i) during the period commencing January 1, 1984 and ending October 31, 1991, 0.75% (3% per annum) of the number of Second Preferred Shares Series I originally issued;
- (ii) commencing November 1, 1991 and thereafter, 0.75% (3% per annum) of the number of Second Preferred Shares Series I outstanding immediately after the retraction date on November 1, 1991.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series I in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series I with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series I if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

#### (6) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series I shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount as a premium equal to \$1 per share if such event commences prior to November 1, 1988 and if such event commences after that date an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series I if such shares were to be redeemed in accordance with paragraph (4) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series I in any respect. After payment to the holders of the Second Preferred Shares Series I of the amount so payable to them they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### (7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series I are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series I and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with

the Second Preferred Shares Series I then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series I are outstanding the Corporation shall not:

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series I) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series I with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series I with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series I and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series I with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series I without the prior approval of the holders of the Second Preferred Shares Series I given as specified in paragraph (10), nor shall the number of Second Preferred Shares Series I be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series I shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series I

The approval of the holders of the Second Preferred Shares Series I with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series I for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series I duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series I then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series I then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series I present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series I then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series I. Notice of any such original meeting of the holders of the Second Preferred Shares Series I shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series I present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series I held by each of such holders respectively.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series I given as specified in paragraph (10), in addition to any other approval required by the Canada Business Corporations Act.

III-J Series Second Preferred Shares, Series J

1,080,000 shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series J (the "Second Preferred Shares Series J"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series J shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series J shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$2.09375 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of May, August, November and February (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on May 1, 1984. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series J then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series J shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before December 20, 1991, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series J are to be paid at an annual rate higher than \$2.09375 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series J provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series J in the invitation to tender to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series J.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series J or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series J that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series J shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

(2) Retraction Privilege

2.01 General Provisions

(a) A holder of Second Preferred Shares Series J shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series J on January 31, 1992

(the "retraction date") at a price (the "retraction price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series J are outstanding, during the 30 day period ending December 20, 1991 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series J a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series J which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be January 24, 1992. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series J then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before January 24, 1992, a holder of Second Preferred Shares Series J desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series J to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series J represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series J to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series J shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction, notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series J by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series J in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series J so redeemed, the Second Preferred Shares Series J redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series J then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Share Series J which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series J in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In

such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series J in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series J then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series J a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series J by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before December 20, 1991, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series J shall have the right to exchange Second Preferred Shares Series J on the basis of one share of the Additional Series for each Second Preferred Share Series J.

(b) On any such exchange of Second Preferred Shares Series J, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series J exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series J the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before January 24, 1992, Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series J outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series including the period during which Second Preferred Shares Series J will be exchangeable into shares of the Additional Series (which period shall commence no later than January 31, 1992 (the retraction date) and end no earlier than February 28, 1992) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected including a statement that the holders of the Second Preferred Shares Series J will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series J on or before January 24, 1992;

(iii) all dividends then payable on the Second Preferred Shares Series J then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series J accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares.

## (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or

any part of the Second Preferred Shares Series J outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series J outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$25 per share plus costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series J are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series J so tendered by each of the holders of Second Preferred Shares Series J who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series J under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series J or any of them prior to January 31, 1992. Subject to the foregoing, and to the provisions of paragraph (6), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series J on payment of \$25 for each share to be redeemed together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series J under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series J to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series J. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series J held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series J to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Share Series J called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series J shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series J called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series J to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series J called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series J in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series J is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in

respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(5) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series J shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series J in any respect. After payment to the holders of the Second Preferred Shares Series J of the amount so payable to them they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series J are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series J and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series J then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series J are outstanding the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series J) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series J with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series J with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series J and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series J with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series J without the prior approval of the holders of the Second Preferred Shares Series J given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series J be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series J shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series J

The approval of the holders of the Second Preferred Shares Series J with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series J for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll



at a meeting of the holders of the Second Preferred Shares Series J duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series J then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series J then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series J present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series J then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series J. Notice of any such original meeting of the holders of the Second Preferred Shares Series J shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series J present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series J held by each of such holders respectively.

(10) Amendments

The provisions of paragraphs (1) to (9), inclusive, and of this paragraph (10), or any of them may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series J given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

III-K Series Second Preferred Shares, Series K

5,000,000 shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series K (the "Second Preferred Shares Series K"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series K shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series K shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.95 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on December 1, 1985. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series K then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series K shall accrue from such date or dates as may in the case of each issue be determined by the directors or in case no date is so determined then from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before September 8, 1993, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series K are to be paid at an annual rate higher than \$1.95 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series K provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series K in the invitation to tender to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph (2).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series K.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series K or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series K that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series K shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series K shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series K on October 15, 1993 (the "retraction date") at a price (the "retraction price") of \$25 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series K are outstanding, during the 30 day period ending September 8, 1993 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series K a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1) (b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series K which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be October 8, 1993. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series K then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c) (i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before October 8, 1993, a holder of Second Preferred Shares Series K desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series K to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series K represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series K to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series K shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series K by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series K in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred

Shares Series K so redeemed, the Second Preferred Shares Series K redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them. If prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Share Series K then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Share Series K which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series K in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series K in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Share Series K then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series K a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series K by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege

mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before September 8, 1993, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series K shall have the right to exchange Second Preferred Shares Series K on the basis of one share of the Additional Series for each Second Preferred Share Series K.

(b) On any such exchange of Second Preferred Shares Series K, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series K exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series K the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before October 8, 1993 Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series K outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series including the period during which Second Preferred Shares Series K will be exchangeable into shares of the Additional Series (which period shall commence no later than October 15, 1993 (the retraction date) and end no earlier than November 15, 1993) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected including a statement that the holders of the Second Preferred Shares Series K will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series K on or before October 8, 1993;

(iii) all dividends then payable on the Second Preferred Shares Series K then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series K accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series K into shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series K appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series K are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series K are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series K outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series K outstanding at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable but not exceeding \$25 per share plus all accrued and unpaid dividends and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series K are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series K so tendered by each of the holders of Second Preferred Shares Series K who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series K under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series K or any of them prior to October 15, 1993. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series K on payment of \$25 (the "redemption price") for each share to be redeemed together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on them up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series K under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series K to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series K. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series K held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series K to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Share Series K called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series K shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred

Shares Series K called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect of them unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series K to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series K called for redemption upon presentation and surrender to such bank or trust company of the certificates representing them. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series K in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as, may be applicable, in case a part only of the then outstanding Second Preferred Shares Series K is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series K are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series K as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning January 1, 1986, if and to the extent that such shares are available, at a price or prices not exceeding \$25 per share plus costs of purchase and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series K which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be:

- (i) during the period commencing January 1, 1986 and ending December 31, 1993, 25,000 Second Preferred Shares Series K (2% per annum); and
- (ii) commencing January 1, 1994 and thereafter, 1% (4% per annum) of the number of Second Preferred Shares Series K outstanding immediately after the retraction date on October 15, 1993.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series K in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series K with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series K if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

(6) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series K shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends on them which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on them have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1 per share if such event commences prior to October 15, 1993 before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series K in any respect. After payment to the holders of the Second Preferred Shares Series K of the amount so payable to them they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Share Series K are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series K and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series K then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series K are outstanding the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series K) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series K with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series K with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series K and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series K with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series K without the prior approval of the holders of the Second Preferred Shares Series K given as specified in paragraph (10) nor shall the number of Second Preferred Shares Series K be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series K shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series K

The approval of the holders of the Second Preferred Shares Series K with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series K for the time being outstanding or by resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series K duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series K then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series K then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series K present in person or so represented by proxy, whether or not they hold more or less than a majority of all Second Preferred Shares Series K then outstanding, may transact the business for which the meeting was originally called and a resolution duly passed and carried by not less than 2/3 of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series K. Notice of any such original meeting of the holders of the Second Preferred Shares Series K shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting the holders of Second Preferred Shares Series K present in person or so represented by proxy shall be entitled to 1 vote in respect of each Second Preferred Share Series K held by each of such holders respectively.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series K given as specified in paragraph (10), in addition to any other approval required by the Canada Business Corporations Act.

III-L Series Second Preferred Shares, Series L

2,400,000 shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series L (the "Second Preferred Shares Series L"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series L shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series L shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.925 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on June 1, 1986. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series L then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series L shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before April 25, 1994, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series L are to be paid at an annual rate higher than \$1.925 per share in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series L provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series L in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series L.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series L or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series L that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series L shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

(2) Retraction Privilege

2.01 General Provisions

(a) A holder of Second Preferred Shares Series L shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series L on June 1, 1994

(the "retraction date"), at a price (the "retraction price") of \$25.00 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series L are outstanding, during the 30 day period ending April 25, 1994, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series L a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1) (b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series L which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be May 25, 1994. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series L then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c) (i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before May 25, 1994, a holder of Second Preferred Shares Series L desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series L to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series L represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series L to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series L shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series L by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01 (c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series L in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series L so redeemed, the Second Preferred Shares Series L redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series L then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series L which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series L in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In



such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series L in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series L then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series L a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series L by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before April 25, 1994, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series L shall have the right to exchange Second Preferred Shares Series L on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series L.

(b) On any such exchange of Second Preferred Shares Series L, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series L exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series L the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains effective on or before May 25, 1994, Articles of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series L outstanding at the close of business on the business day prior to the effective date of such Articles of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series L will be exchangeable for shares of the Additional Series (which period shall commence no later than June 1, 1994 (the retraction date) and end no earlier than July 4, 1994) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected, including a statement that the holders of the Second Preferred Shares Series L will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series L on or before May 25, 1994;

(iii) all dividends then payable on the Second Preferred Shares Series L then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series L accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series L for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series L appearing in the books of the Corporation or

in which there is a stock exchange upon which the Second Preferred Shares Series L are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series L are then listed for trading.

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series L outstanding from time to time

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series L are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series L outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series L so purchased shall not exceed \$26.50 per share if such purchase is made prior to June 1, 1991, or the then applicable redemption price per share if such purchase is made thereafter, plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series L are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series L so tendered by each of the holders of Second Preferred Shares Series L who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series L under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series L or any of them prior to June 1, 1991. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided by paragraph (4) (b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series L on payment, of the following amounts (the "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning June 1	Redemption Price
1991	\$26.50
1992	\$26.00
1993	\$25.50
1994 and thereafter	\$25.00

together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series L under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series L to be redeemed a written notice of the intention of

the Corporation to redeem such Second Preferred Shares Series L. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series L held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series L to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series L called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series L shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series L called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series L, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series L called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series L in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series L is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series L are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series L as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning July 1, 1994, if and to the extent that such shares are available, at a price or prices not exceeding \$25.00 per share plus costs of purchase, and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series L which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be 1% (4% per annum) of the number of Second Preferred Shares Series L outstanding immediately after the retraction on June 1, 1994.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series L in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series L with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series L if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

(6) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series L shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series L have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 1994, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series L in any respect. After payment to the holders of the Second Preferred Shares Series L of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series L are outstanding the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series L and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series L then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series L are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series L) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series L with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series L with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series L and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series L with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series L without the prior approval of the holders of the Second Preferred Shares Series L given as specified in paragraph (10), nor shall the number of Second Preferred Shares Series L be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series L shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series L

The approval of the holders of the Second Preferred Shares Series L with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series L for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series L duly called and held for the

purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series L then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series L then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series L present in person or so represented by proxy, whether or not they hold more than a majority of all Second Preferred Shares Series L then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series L. Notice of any such original meeting of the holders of the Second Preferred Shares Series L shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series L present in person or so represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series L held by such holder.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series L given as specified in paragraph (10), in addition to any other approval required by the Canada Business Corporations Act.

III-M Series Second Preferred Shares, Series M

3,200,000 shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series M (the "Second Preferred Shares Series M"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series M shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series M shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.77 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on December 1, 1986. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series M then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series M shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of allotment.

(b) Subject to applicable law, the directors may in their discretion at any time on or before April 26, 1993, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series M are to be paid at an annual rate higher than \$1.77 per share, in which event such higher rate shall be thereafter applicable for all purposes of these Second Preferred Shares Series M provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series M in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series M.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series M or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series M that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series M shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series M shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series M on June 1, 1993 (the "retraction date"), at a price (the "retraction price") of \$25.00 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series M are outstanding, during the 30 day period ending April 26, 1993, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series M a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series M which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be May 25, 1993. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series M then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before May 25, 1993, a holder of Second Preferred Shares Series M desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series M to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series M represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series M to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series M shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series M by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that

city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series M in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series M so redeemed, the Second Preferred Shares Series M redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01 (b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series M then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series M which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series M in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series M in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series M then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series M a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series M by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before April 26, 1993, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series M shall have the right to exchange Second Preferred Shares Series M on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series M.

(b) On any such exchange of Second Preferred Shares Series M, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series M exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series M the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before May 25, 1993, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series M outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions

and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series M will be exchangeable for shares of the Additional Series (which period shall commence no later than June 1, 1993 (the retraction date) and end no earlier than July 5, 1993) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected, including a statement that the holders of the Second Preferred Shares Series M will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series M on or before May 25, 1993;

(iii) all dividends then payable on the Second Preferred Shares Series M then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series M accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series M for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series M appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series M are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series M are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series M outstanding from time to time

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series M are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series M outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series M so purchased shall not exceed \$26.00 per share if such purchase is made prior to June 1, 1991, or the then applicable redemption price per share if such purchase is made thereafter, plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series M are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series M so tendered by each of the holders of Second Preferred Shares Series M who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series M under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series M or any of them prior to June 1, 1991. Subject to the foregoing, and to the provisions of paragraph (7), the Corporation may in the manner provided



by paragraph (4) (b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series M on payment, of the following amounts (the "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning June 1,	Redemption Price
1991	\$26.00
1992	\$25.50
1993 and thereafter	\$25.00

together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series M under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series M to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series M. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series M held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series M to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series M called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series M shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series M called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series M, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series M called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series M in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series M is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Purchase Obligation

Subject to the provisions of paragraph (7) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, so long as any of the Second Preferred Shares Series M are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation in the open market the prescribed number of Second Preferred Shares Series M as set out below, at such time or times in each calendar quarter as the Corporation in its discretion shall determine commencing with the calendar quarter beginning July 1, 1993, if and to the extent that

such shares are available, at a price or prices not exceeding \$25.00 per share plus costs of purchase, and such obligation shall carry over to the succeeding calendar quarters in the same calendar year. The prescribed number of Second Preferred Shares Series M which the Corporation shall make all reasonable efforts so to purchase in each calendar quarter shall be 1% (4% per annum) of the number of Second Preferred Shares Series M outstanding immediately after the retraction on June 1, 1993.

If after all reasonable efforts the Corporation is unable so to purchase the prescribed aggregate number of Second Preferred Shares Series M in the four quarters of any calendar year, the Corporation's obligation to purchase Second Preferred Shares Series M with respect to such calendar year shall be extinguished. The Corporation shall not be obligated to purchase for cancellation any Second Preferred Shares Series M if and so long as any such purchase would constitute a breach by the Corporation of the provisions of any trust indenture under which bonds, debentures or other securities of the Corporation are outstanding or if and so long as such purchase would be contrary to law. In the event of the winding-up or dissolution of the Corporation, the obligation of the Corporation under the provisions of this paragraph (5) shall be null and void and of no effect.

(6) Liquidation, Dissolution or- Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series M shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series M have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution be voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 1993, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series M in any respect. After payment to the holders of the Second Preferred Shares Series M of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series M are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series M and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series M then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series M are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series M) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series M with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series M with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series M and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series M with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series M without the prior approval of the holders of the Second Preferred Shares Series M given as specified in paragraph (10), nor shall the number of Second Preferred Shares Series M be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series M shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(10) Sanction by Holders of Second Preferred Shares Series M

The approval of the holders of the Second Preferred Shares Series M with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series M for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series M duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series M then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series M then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series M present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series M then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series M. Notice of any such original meeting of the holders of the Second Preferred Shares Series M shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series M present in person or so represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series M held by such holder.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series M given as specified in paragraph (10), in addition to any other approval required by the Canada Business Corporations Act.

III-N Series Second Preferred Shares, Series N

4,000,000 shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series N (the "Second Preferred Shares Series N"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series N shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series N shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.775 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on September 1, 1987 and shall be in the amount of \$0.53128 per share. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second

Preferred Shares Series N then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series N shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) Subject to applicable law, the directors may in their discretion at any time on or before April 26, 1995, effective as at the retraction date (as defined in paragraph 2.01(a)), fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series N are to be paid at an annual rate higher than \$1.775 per share, in which event such higher rate shall thereafter be applicable for all purposes of these Second Preferred Shares Series N provisions. In the event that the directors so determine to increase the dividend rate as at the retraction date, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series N in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series N.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series N or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series N that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series N shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series N shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series N on June 1, 1995 (the "retraction date"), at a price (the "retraction price") of \$25.00 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series N are outstanding, during the 30 day period ending April 26, 1995, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series N a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1) (b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series N which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be May 25, 1995. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series N then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c) (i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before May 25, 1995, a holder of Second Preferred Shares Series N desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series N to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series N represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder of the retraction price on the redemption of the Second Preferred Shares Series N to be redeemed on or before the retraction date if such deposit is received more than 14 days before the retraction date

and, in the event of a deposit received less than 14 days before the retraction date, on a date within 14 days of that date. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series N shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series N by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01 (c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series N in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price for the Second Preferred Shares Series N so redeemed, the Second Preferred Shares Series N redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01 (b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series N then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series N which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series N in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series N in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series N then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series N a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series N by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before April 26, 1995, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series N shall have the right to exchange Second Preferred Shares Series N on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series N.

(b) On any such exchange of Second Preferred Shares Series N, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series N exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series N the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before May 25, 1995, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series N outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series N will be exchangeable for shares of the Additional Series (which period shall commence no later than June 1, 1995 (the retraction date) and end no earlier than July 5, 1995) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected, including a statement that the holders of the Second Preferred Shares Series N will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series N on or before May 25, 1995;

(iii) all dividends then payable on the Second Preferred Shares Series N then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series N accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series N for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series N appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series N are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series N are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (6) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series N outstanding from time to time

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series N are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series N outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series N so purchased shall not exceed \$25.00 per share plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of

purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series N are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series N so tendered by each of the holders of Second Preferred Shares Series N who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series N under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

#### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series N or any of them prior to June 1, 1995. Subject to the foregoing, and to the provisions of paragraph (6), the Corporation may in the manner provided by paragraph (4) (b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series N on payment of \$25.00 (the "redemption price") for each share to be redeemed together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series N under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series N to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series N. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series N held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series N to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series N called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series N shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series N called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series N, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series N called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series N in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series N is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(5) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series N shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series N have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 1995, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series N in any respect. After payment to the holders of the Second Preferred Shares Series N of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series N are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series N and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series N then outstanding with respect to payment of dividends, unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of any such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series N are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series N) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series N with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series N with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding respective dividend payment date on the Second Preferred Shares Series N and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series N with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series N without the prior approval of the holders of the Second Preferred Shares Series N given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series N be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series N shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series N

The approval of the holders of the Second Preferred Shares Series N with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series N for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series N duly called and held for the



purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series N then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series N then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series N present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series N then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series N. Notice of any such original meeting of the holders of the Second Preferred Shares Series N shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series N present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series N held by such holder.

#### (10) Amendments

The provisions of paragraphs (1) to (9), inclusive, and of this paragraph (10), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series N given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

#### III-O Series Second Preferred Shares, Series O

Three million (3,000,000) shares of the Second Preferred Shares are designated Perpetual Cumulative Second Preferred Shares Series O (the "Second Preferred Shares Series O"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series O shall be as follows:

##### Part I

##### 1.1 Definitions

All defined terms used in Part I hereof and not defined therein are defined and have the meanings ascribed to them in section 2.1 of Part II hereof.

##### 1.2 Payment of Dividends

(a) For the Initial Five Year Term, the holders of the Second Preferred Shares Series O shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends in an amount determined in accordance with section 1.3(a) hereof, payable in equal quarterly installments on the Dividend Payment Dates in each year, the first of which dividends shall be paid on August 1, 1991, and the last of which dividends shall be paid on May 1, 1996.

(b) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Corporation Determined Term, the holders of the Second Preferred Shares Series O shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3 (b) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.

(c) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Dealer Determined Term, the holders of the Second Preferred Shares Series O shall be entitled to receive and the Corporation shall pay,

as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(c) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period falling within an Auction Term, the holders of the Second Preferred Shares Series O as they appear on the securities register of the Corporation on the Auction Date within such Auction Dividend Period shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(d) hereof, payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.

(e) The initial dividend on the Second Preferred Shares Series O shall accrue from and include the original date of issue of the Second Preferred Shares Series O, shall be payable on August 1, 1991, and shall be in an amount determined in accordance with section 1.3(a) hereof.

(f) Cheques of the Corporation payable in lawful money of Canada, rounded to the nearest whole cent (\$0.01), shall be issued in respect of dividends on the Second Preferred Shares Series O (less any tax required to be deducted and withheld by the Corporation). The mailing by ordinary unregistered first class prepaid mail of such a cheque to a registered holder of Second Preferred Shares Series O to the address of such registered holder as it appears on the securities register of the Corporation, or if the address of any such holder does not appear, then to the last known address of such holder, on or before the fifth Business Day next preceding the applicable Dividend Payment Date or the delivery by the Corporation or the Auction Manager of such cheque on or before the Auction Dividend Payment Date, as the case may be, shall be deemed to be payment and shall satisfy and discharge all liabilities for dividends payable on such Dividend Payment Date or Auction Dividend Payment Date to the extent of the amount represented thereby (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not paid on due presentation.

### 1.3 Amount of Dividends

(a) The dividend to be paid on each Second Preferred Share Series O during the Initial Five Year Term shall be the amount of \$1.96875 per annum payable in equal quarterly installments of \$0.4921875 on each Dividend Payment Date except the first dividend which shall be payable on August 1, 1991, and shall be in the amount of \$0.4921875 multiplied by a fraction, the numerator of which is the number of days from and including the original date of issue of the Second Preferred Shares Series O to but excluding the first Dividend Payment Date, and the denominator of which is 92.

(b) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Second Preferred Share Series O on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.

(c) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Second Preferred Share Series O on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Second Preferred Share Series O on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:

(i) on the first Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Second Preferred Share Series O shall be the amount which is the product of (1) \$25.00, (2) 75% of the Bankers' Acceptance Rate (as defined in Part V hereof) where the Bankers' Acceptance Rate is determined on the first Business Day of such Auction Dividend Period, and (3) the number of days in the first Auction Dividend Period, all divided by 365; and

(ii) on the second and subsequent Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Second Preferred Share Series O shall be the amount which is the product of (1) \$25.00, (2) the Current Dividend Rate (or such other rate per annum as may apply in accordance with Part V hereof) for each such Auction Dividend Period, determined on the Auction Date immediately prior to the beginning of such Auction Dividend Period, and (3) the number of days in such Auction Dividend Period, all divided by 365.

(e) After expiry of the Initial Five Year Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Second Preferred Share Series O on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) \$25.00, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, and (3) the number of days in such Dividend Period, all divided by 365.

#### 1.4 Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Second Preferred Shares Series O then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors of the Corporation on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Second Preferred Shares Series O shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

#### 1.5 Redemption

The Second Preferred Shares Series O will not be redeemable on or before the date that is the fifth anniversary of the original date of issue of the Second Preferred Shares Series O. Subject to section 1.8 hereof, the Corporation may, upon giving notice as hereinafter provided, redeem at any time after the fifth anniversary of the original date of issue all or from time to time any of the then outstanding Second Preferred Shares Series O on payment for each share to be redeemed of an amount equal to \$25.00 together with an amount equal to all accrued and unpaid dividends thereon calculated to but excluding the Redemption Date (as hereinafter defined). Such amount is herein referred to as the "Redemption Price". If less than all of the then outstanding Second Preferred Shares Series O are to be redeemed, the Second Preferred Shares Series O to be redeemed shall be redeemed as nearly as may be pro rata from each of the holders of Second Preferred Shares Series O. Any Second Preferred Share Series O which is so redeemed shall be cancelled and not reissued.

#### 1.6 Redemption Procedure

(a) The Corporation shall, at least thirty (30) days before the date specified for redemption of Second Preferred Shares Series O, mail or deliver to each person who at the date of mailing is a registered holder of Second Preferred Shares Series O to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series O. Notwithstanding the foregoing, if the Corporation gives notice of its intention to redeem Second Preferred Shares Series O on a Redemption Date (as hereinafter defined) which is during an Auction Term, such notice shall be given not less than 12 days prior to the date on which the redemption is to take place, which date, in such event, must be an Auction Dividend Payment Date.

(b) Such notice shall set out the Redemption Price and the date ("Redemption Date") on which redemption is to take place and, if part only of the Second Preferred Shares Series O held by the person to whom such notice is addressed is to be redeemed, the number thereof so to be redeemed. The Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series O to be redeemed the Redemption Price therefor on presentation and surrender, at the place designated in such notice, of the certificates representing the Second Preferred Shares Series O so called for redemption. Such payment shall be made by cheque of the Corporation and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Second Preferred Shares Series O so called for redemption to the extent of the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. If part only of the Second Preferred Shares Series O represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the Redemption Date, the Second Preferred Shares Series O called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of

the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after giving notice of its intention to redeem Second Preferred Shares Series O as aforesaid, to deposit the Redemption Price for the Second Preferred Shares Series O so called for redemption (or such of the said shares as may be represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption) in a special account in any chartered bank or any trust company in Canada named in such notice or in any subsequent notice to the holders of the shares in respect of which the deposit is made, provided that the amount deposited in such an account shall be paid to the holders of such shares upon presentation and surrender to such bank or trust company of the certificates representing such shares. The Redemption Price so deposited shall be paid on or after the Redemption Date without interest to or to the order of the respective holders of such Second Preferred Shares Series O called for redemption. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Second Preferred Shares Series O in respect of which such deposit shall have been made shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving, without interest, the Redemption Price of such Second Preferred Shares Series O so called for redemption (less any tax required to be and in fact deducted or withheld therefrom) upon presentation and surrender of the certificates representing the holder's shares so redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

(c) Redemption moneys that are represented by a cheque which was mailed to a registered holder in accordance with this section 1.6 and which has not been duly presented for payment within, or that otherwise remain unclaimed (including moneys held on deposit as aforesaid) for, a period of 5 years from the Redemption Date shall be forfeited to the Corporation.

#### 1.7 Purchase for Cancellation

Subject to section 1.8 hereof, the Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Second Preferred Shares Series O outstanding from time to time at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable, but not exceeding \$25.00 per share plus all accrued and unpaid dividends and costs of purchase.

#### 1.8 Restriction on Dividends and Retirement of Shares

So long as any of the Second Preferred Shares Series O are outstanding, the Corporation shall not:

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series O) on the Class A non-voting shares or Class B common shares of the Corporation or any other shares of the Corporation ranking junior to the Second Preferred Shares Series O with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series O with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date or Auction Dividend Payment Date, as the case may be, on the Second Preferred Shares Series O and the dividend payable on the last preceding respective dividend payment date on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series O with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subsections (a) and (b) of this section 1.8.

#### 1.9 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series O shall be entitled to receive in lawful money of Canada \$25.00 per share together with an amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to but excluding the date of payment or distribution, the whole to be paid before any amount is paid or any property or assets of the Corporation are distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or any other shares ranking junior to

the Second Preferred Shares Series O. Upon payment to the holders of record of the Second Preferred Shares Series O of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

## PART II

### 2.1 Interpretation and Application of Part I, Part III, Part IV and Part V

(a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following terms have the following meanings:

- (i) "Auction Dividend Payment Date" shall have the meaning ascribed to that term in Part V hereof;
- (ii) "Auction Dividend Period" shall have the meaning ascribed to that term in Part V hereof;
- (iii) "Auction Procedures" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Second Preferred Shares Series O from time to time during an Auction Term;
- (iv) "Auction Term", "Auction Date" and "Auction Manager" shall have the respective meanings ascribed to those terms in Part V hereof;
- (v) "Business Day" shall have the meaning ascribed to that term in Part V hereof;
- (vi) "Corporation Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part III hereof;
- (vii) "Corporation Determined Term" shall have the meaning ascribed to that term in Part III hereof;
- (viii) "Current Dividend Rate" shall have the meaning ascribed to that term in Part V hereof;
- (ix) "Dealer Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (x) "Dealer Determined Term" shall have the meaning ascribed to that term in Part IV hereof;
- (xi) "Dividend Payment Dates" shall mean the first day of each of the months of February, May, August and November in each year;
- (xii) "Dividend Period" shall mean the period from and including the original date of issue of the Second Preferred Shares Series O to but excluding the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date except for the first Dividend Period following an Auction Term in which case "Dividend Period" shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;
- (xiii) "Initial Five Year Term" shall mean the period from and including the original date of issue of the Second Preferred Shares Series O to but excluding May 1, 1996;
- (xiv) the use of the terms "ranking in priority to" or "ranking on a parity with" or "ranking junior to" or similar terms, whether used independently or in combination, mean and refer to the ranking of shares of different classes or series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and
- (xv) "Settlement Date" shall have the meaning ascribed to that term in Part V hereof.

Terms defined in Part III, Part IV or Part V hereof and used but not defined in this Part II have the meanings ascribed to them in Part III, Part IV or Part V, as the case may be.

(b) In the event that any date on which any dividend on the Second Preferred Shares Series O is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

(c) In the event of the non-receipt of a cheque by a holder of Second Preferred Shares Series O entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

(d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be used by the Corporation, at the earliest, in the period between 45 days and 60 days prior to the expiry of the Initial Five Year Term, and thereafter may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not less than 45 days and not more than 60 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not less than 20 days and not more than 25 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(e) The provisions of Part IV hereof with respect to solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be used by the Corporation, at the earliest, 30 days prior to the expiry of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not more than 30 days and not less than 25 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not more than 13 days and not less than 10 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(f) The provisions of Part V hereof shall apply from and after the end of the Initial Five Year Term and from and after the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time the provisions of Part III or Part IV hereof are fully implemented in accordance with the terms of those Parts.

(g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "accrued and unpaid dividends" means the aggregate of (i) all unpaid dividends on the Second Preferred Shares Series O in respect of any Dividend Payment Date for any completed Dividend Period and Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Second Preferred Share Series O had been accruing on a day to day basis in a manner consistent with section 1.3 of Part I hereof from the date of the most recently completed Dividend Period or Auction Dividend Period to the date on which the computation of accrued dividends is to be made, provided that, for the purposes of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Second Preferred Shares Series O has been given pursuant to the provisions of section 1.6 of Part I hereof or (y) the relevant date for the purposes of section 1.9 of Part I hereof, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term, shall be for the period of 90 days ending on a day not more than 7 days prior to the date the written notice of redemption is given pursuant to the provisions of section 1.6 or ending on the relevant date for the purposes of section 1.9, as the case may be.

## 2.2 Notices

(a) Any notice or other communication from the Corporation provided for herein, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail to the holders of the Second Preferred Shares Series O at their respective addresses appearing on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. In addition, any notice or other communication from the Corporation during an Auction Term or a notice of the Corporation's intention to redeem Second Preferred Shares Series O on a day which is during an Auction Term shall also be given by telex, telecopier

or telegraph communication. Accidental failure to give any notice or other communication to one or more holders of the Second Preferred Shares Series O shall not affect the validity of the notices or other communications properly given or any action, including the redemption of all or any part of the Second Preferred Shares Series O, taken pursuant to such properly given notice or other communication, but upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.

(b) If the Corporation 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 the holder of any Second Preferred Shares Series O, whether in connection with the redemption of such shares or otherwise, the Corporation, notwithstanding the provisions hereof, may

(i) give such notice by telex, telecopier or telegraph communication or by means of publication once in each of two successive weeks in newspapers of general circulation published or distributed in Edmonton and Toronto, and such notice shall be deemed to have been given on the date on which such telex, telecopier or telegraph communication was given or on the date on which the first publication has taken place; and

(ii) fulfill the requirement to send such cheque or such share certificate by arranging for delivery thereof to the holder at such holder's address appearing on the securities register, or in the event of the address of such holder not so appearing, then at the last address of such holder known to the Corporation.

### 2.3 Voting Rights,

In connection with any action to be taken by the Corporation which requires the approval of the holders of the Second Preferred Shares Series O as a series or of the holders of Series Second Preferred Shares as a class, each Second Preferred Share Series O shall entitle the holder thereof to one (1) vote for such purpose.

### 2.4 Modification

The provisions attached to the Second Preferred Shares Series O may be repealed, altered, modified or amended from time to time with such approvals as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with section 2.5 of this Part II.

### 2.5 Approval of Holders of Second Preferred Shares Series O

Any approval given by the holders of Second Preferred Shares Series O shall be deemed to have been sufficiently given if it shall have been given by the holders of Second Preferred Shares Series O as provided in the provisions attaching to the Series Second Preferred Shares as a class, which provisions shall apply mutatis mutandis.

### 2.6 Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series O will be required to pay tax on dividends received on the Second Preferred Shares Series O under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## Part III

### INVESTOR NEGOTIATION PROCEDURE

#### 3.1 Definitions

For the purposes of Part III hereof, the following terms have the following meanings:

- (a) "Average Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (b) "Average Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;

- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part III references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" shall be deemed to refer to the relevant date for determining the Corporation Determined Quarterly Dividend Rate, (ii) "30 day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (d) "Banks" shall have the meaning ascribed to that term in Part IV hereof;
- (e) "Corporation Determined Percentage" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section 3.2 of this Part III;
- (f) "Corporation Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the corporation in its notice pursuant to section 3.2 of this Part III, which shall be one of
- (i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or
  - (ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or
  - (iii) a fixed annual percentage rate;
- (g) "Corporation Determined Term" shall mean a term, selected by the Corporation, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after May 1, 1996, and terminating on the last day of the last Dividend Period selected by the Corporation, to which term the provisions of this Part III shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto have been approved by the holders of the Second Preferred Shares Series O in accordance with section 3.3 of this Part III; and
- (h) "Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof.

Terms defined in Part II, Part IV or Part V hereof and used but not defined in this Part III have the meanings ascribed to them in Part II, Part IV or Part V, as the case may be.

### 3.2 Determination of New Dividend Rate

At least 45 days and not more than 60 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 20 days and not more than 25 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may notify the holders of Second Preferred Shares Series O of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term.

- (i) Such notification to such holders shall also specify a date by which each holder must notify the corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term, if such holder intends to accept such terms, which date shall be at least 35 days prior to the end of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the relevant Auction Dividend Period, as the case may be, and
- (ii) specify that the proposed Corporation Determined Quarterly Dividend Rate and proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Second Preferred Shares Series O accept such terms.



### 3.3 Acceptance of Corporation Determined Quarterly Dividend Rate

If,

- (i) by the time prescribed in paragraph (i) of section 3.2 of this Part III, all of the holders of Second Preferred Shares Series O have accepted the Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term as evidenced by notice in writing to the Corporation, and
- (ii) at least 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 12 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such terms,

then such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid to the holders of Second Preferred Shares Series O, from time to time, on each of the Second Preferred Shares Series O on each Dividend Payment Date for Dividend Periods during such Corporation Determined Term.

### 3.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part III, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series O upon request) shall be conclusive.

## PART IV

### DEALER BID PROCEDURES

#### 4.1 Definitions

For the purposes of Part IV hereof, the following terms have the following meanings:

- (a) "Accepted Dealer Offer" shall have the meaning ascribed to that term in section 4.2(c) of this Part IV;
- (b) "Average Daily Prime Rate" shall mean, for any day, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one or two of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other one Bank or the average of the Daily Prime Rates of the other two Banks, as the case may be, and further provided that if on such day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.5% above the average yield per annum on 91-day Government of Canada Treasury Bills as reported by the Bank of Canada for the most recent weekly tender preceding such day;
- (c) "Average Prime Rate" shall mean, for any period consisting of one or more days, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Average Daily Prime Rate for each day during such period;
- (d) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part IV references in section 5.1(j) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" shall be deemed to refer to the relevant date for determining the Dealer Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (e) "Banks" shall mean The Royal Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and The Bank of Nova Scotia and the term "Bank" shall mean one of the Banks, and

for the purposes of this definition "Banks" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks;

(f) "Daily Prime Rate" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;

(g) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part IV;

(h) "Dealer Determined Percentage" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section 4.2(b) of this Part IV;

(i) "Dealer Determined Quarterly Dividend Rate" shall mean one quarter of the annual dividend rate specified by the Dealer in the Accepted Dealer Offer which shall be one of

(i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(j) "Dealer Determined Term" shall mean a term, selected by a Dealer, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after May 1, 1996, and terminating on the last day of the last Dividend Period selected by such Dealer, to which term the provisions of this Part IV shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term;

(k) "Dealer Offer" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Second Preferred Shares Series O on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, at a purchase price per Second Preferred Share Series O equal to \$25.00 and containing the information specified in section 4.2(b) of this Part IV;

(l) "Dealer Response Date" shall have the meaning ascribed to that term in section 4.2(a) of this Part IV;

(m) "Notice Requesting Bids" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section 4.2(a) of this Part IV; and

(n) "Notification to Holders" shall mean the notification from the Corporation to holders of Second Preferred Shares Series O of the acceptance of a Dealer Offer as provided for in section 4.2(d) of this Part IV.

Terms defined in Part II, Part III or Part V hereof and used but not defined in this Part IV have the meanings ascribed to them in Part II, Part III or Part V, as the case may be.

#### 4.2 Bids by Dealers

(a) At least 25 days and not more than 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 10 days and not more than 13 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Second Preferred Shares Series O. Such solicitation shall be contained in a notice ("Notice Requesting Bids") to be sent by the Corporation to such Dealers which notice shall

- (i) invite each Dealer to submit to the Corporation a Dealer Offer, and
  - (ii) specify a date, which shall be not more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall be not more than 5 days after the giving of such notice, by which any such offer must be received by the Corporation (the "Dealer Response Date").
- (b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies
- (i) a Dealer Determined Quarterly Dividend Rate (and, in connection therewith, unless a fixed rate is specified, the Dealer Determined Percentage of the Average Prime Rates or the Dealer Determined Percentage of the Bankers' Acceptance Rate, as the case may be),
  - (ii) a Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(b) will apply, and
  - (iii) the amount of any fee to be paid by the Corporation to the Dealer in connection with the purchase of Second Preferred Shares Series O pursuant to the Dealer Offer.
- (c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before the fifteenth day prior to expiry of the Initial Five Year Period or the then current Corporation Determined Term or Dealer Determined Term or on or before the fifth day prior to the end of the relevant Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts ("Accepted Dealer Offer"). The Dealer whose Dealer Offer is accepted will be required to purchase all of the Second Preferred Shares Series O not retained by the existing holders on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, on the terms and subject to the conditions contained in the Accepted Dealer Offer.
- (d) Concurrently with its acceptance of a Dealer Offer, and in any event not later than 15 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or not later than 5 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation shall notify ("Notification to Holders") each existing holder of Second Preferred Shares Series O that the Corporation has accepted a Dealer Offer. Such notification shall
- (i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Second Preferred Shares Series O,
  - (ii) specify the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(d) will apply,
  - (iii) notify such holders of the right of each holder either to sell all or some of the Second Preferred Shares Series O it holds to such Dealer or to continue to hold all or some of the Second Preferred Shares Series O it then holds,
  - (iv) notify such holders of the date (which shall be on or before the sixth day prior to the expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or on or before the second day prior to the expiry of the relevant Auction Dividend Period, as the case may be) by which each holder must notify in writing the Corporation and the Dealer whose Dealer Offer has been accepted of its decision to sell some or all of the Second Preferred Shares Series O it holds as provided for in section 4.2(e) of this Part IV, and
  - (v) identify the Dealer whose Dealer Offer has been accepted.
- (e) Upon receipt of the Notification to Holders, an existing holder of Second Preferred Shares Series O may elect to sell Second Preferred Shares Series O in accordance with the terms specified in such Notification to Holders by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Second Preferred Shares Series O who elects to sell all or a part of its holdings of Second Preferred Shares Series O shall, together with such notice, deposit the certificate or certificates representing Second Preferred Shares Series O which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the

alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Second Preferred Shares Series O may be transferred or at any other place or places in Canada specified by the Corporation to holders of the Second Preferred Shares Series O in the Notification to Holders. If a holder of Second Preferred Shares Series O wishes to sell only some of the Second Preferred Shares Series O represented by any share certificate or certificates, the holder may deposit the certificate or certificates with the Corporation, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Second Preferred Shares Series O which are not being delivered for sale. Any holder of Second Preferred Shares Series O that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Second Preferred Shares Series O then held by it subject to the terms and conditions as to the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Second Preferred Shares Series O pursuant to the provisions of this Part IV and shall also bind the Dealer in question.

(f) At least one Business Day before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section 4.2 (e) of this Part IV and of the identity of the vendor or vendors thereof.

(g) On the day of expiry of the Initial Five Year Term, the Corporation Determined Term or the Dealer Determined Term or on the Settlement Date immediately following the expiry of the relevant Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer will purchase the Second Preferred Shares Series O from the holders specified in section 4.2 (f) of this Part IV, at the purchase price as set out in section 4.1(k) of this Part IV. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer shall deposit with the Corporation at its registered office, on or prior to noon, Edmonton time, on such date, a certified cheque payable to the Corporation, as agent for the vendors referred to in section 4.2(f) of this Part IV, representing the aggregate purchase price of the Second Preferred Shares Series O to be purchased pursuant to this section 4.2(g) together with a direction as to registration particulars with respect to such Second Preferred Shares Series O to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendors at the registered office of the Corporation cheques payable to the vendors in payment of the purchase price for such Second Preferred Shares Series O.

#### 4.3 Termination of Application

Notwithstanding the acceptance of a Dealer Offer as provided for in this Part IV, the Corporation may notify the holders that the Corporation does not intend to proceed to implement application of the Dealer Determined Quarterly Dividend Rate and Dealer Determined Term as set forth in the Notification to Holders provided that such notification is given by the Corporation to existing holders on or before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period as the case may be. In such circumstances, the provisions of Part V hereof shall be applied in accordance with such Part and, for greater certainty, the Dealer whose Dealer Offer has been accepted shall not be obliged to purchase any Second Preferred Shares Series O pursuant to such Dealer Offer. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry of any subsequent Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, to implement the provisions of this Part IV by forwarding a Notice Requesting Bids to one or more Dealers.

#### 4.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part IV, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series O upon request) shall be conclusive.

PART V

AUCTION PROCEDURES

5.1 Definitions

For the purposes of Part V hereof, the following terms have the following meanings:

- (a) "Auction" shall mean the periodic operation of the procedures set forth in this Part V;
- (b) "Auction Date" shall mean the fourth Tuesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Tuesday is not a Business Day, the next preceding Business Day;
- (c) "Auction Dividend Payment Date" shall mean the Business Day immediately following the Settlement Date;
- (d) "Auction Dividend Period" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the immediately preceding Dividend Payment Date to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date;
- (e) "Auction Manager" shall mean the Corporation or any trust company or any successor thereto duly appointed or to be appointed by the Corporation as Auction Manager in respect of the Second Preferred Shares Series O and entering into an Auction Manager Agreement with the Corporation;
- (f) "Auction Manager Agreement" shall mean an agreement made between the Auction Manager, if other than the Corporation, and the Corporation which provides, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Second Preferred Shares Series O;
- (g) "Auction Term" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures in this Part V apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;
- (h) "Available Shares" shall have the meaning specified in paragraph (i) of section 5.4(a) of this Part V;
- (i) "Bankers' Acceptance Rate" shall mean, with respect to any Auction Dividend Period, the rate per annum equal to
  - (A) the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the rates per annum quoted by RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor) where such rates per annum, quoted by such dealers, are equal to the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on the Auction Date next preceding each Auction Dividend Period, on 30-day bankers' acceptances accepted by such of the Banks as are accepting 30-day bankers' acceptances on such Auction Date;
  - (B) in the event one of RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor) is unable to or does not for any reason quote the bid and ask rates per annum referred to in section 5.1(i)(A) above as at 10:00 a.m., Toronto time, on such Auction Date, such rate shall be the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the rates per annum quoted by the other two dealers where such rates per annum, quoted by such dealers, are equal to the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of such dealers, rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on

such Auction Date, on 30-day bankers' acceptances accepted by such of the Banks as are accepting 30-day bankers' acceptances on such Auction Date;

(C) in the event two of RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor) are unable to or do not for any reason quote the bid and ask rates per annum referred to in section 5.1(i)(A) above as at 10:00 a.m., Toronto time, on such Auction Date, such rate shall be the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates per annum on such date quoted by the other one; or

(D) in the event all of RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Toronto time, on such Auction Date (including, without limitation, where none of the Banks is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (A), (B) or (C) above, such rate shall be 0.2% plus the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor), Richardson Greenshields of Canada Limited (or any successor) and Nesbitt Thomson Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on such Auction Date, on Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date;

(j) "Bid" and "Bids" shall have the respective meanings specified in section 5.2(a) of this Part V;

(k) "Bidder" and "Bidders" shall have the respective meanings specified in section 5.2(a) of this Part V;

(l) "Business Day" shall mean a day on which both the Montreal Exchange and The Toronto Stock Exchange or any successor facilities and the Auction Manager are open for business;

(m) "Current Dividend Rate" shall be the rate per annum which has been determined in accordance with section 5.4(b) of this Part V for the next succeeding Auction Dividend Period;

(n) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part V that has entered into a Dealer Agreement with the Auction Manager that remains effective;

(o) "Dealer Agreement" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part V;

(p) "Existing Holder" shall mean a holder of Second Preferred Shares Series O who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section 5.2 (a) of this Part V, and (iii) is registered in the ledger maintained by the Auction Manager in respect of holders of Second Preferred Shares Series O;

(q) "held by" with respect to any Second Preferred Shares Series O registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder;

(r) "Hold Order" and "Hold Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;

(s) "Maximum Rate" with respect to any Auction Dividend Period shall mean 0.40% plus the Bankers' Acceptance Rate determined on the Auction Date immediately preceding such Auction Dividend Period;

(t) "Order" and "Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;

(u) "Potential Holder" shall mean any person, including any Existing Holder, who (i) has executed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) may be interested in acquiring Second Preferred Shares Series O (or, in the case of an Existing Holder, additional Second Preferred Shares Series O);

- (v) "Purchaser's Letter" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part V in the event such person participates in an Auction;
- (w) "Remaining Shares" shall have the meaning specified in paragraph (iv) of section 5.2(a) of this Part V;
- (x) "Sell Order" and "Sell Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (y) "Settlement Date" shall mean the Business Day immediately following the Auction Date;
- (z) "Submission Deadline" shall mean 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;
- (aa) "Submitted Bid" and "Submitted Bids" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (bb) "Submitted Hold Order" and "Submitted Hold Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (cc) "Submitted Order" and "Submitted Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (dd) "Submitted Sell Order" and "Submitted Sell Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (ee) "Sufficient Clearing Bids" shall have the meaning specified in section 5.4(a) of this Part V; and
- (ff) "Winning Bid Rate" shall be the rate per annum determined in accordance with section 5.4(a) of this Part V.

Terms defined in Part II, Part III or Part IV hereof and used but not defined in this Part V have the meanings ascribed to them in Part II, Part III or Part IV, as the case may be.

## 5.2 Orders by Existing Holders and Potential Holders

### (a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Holder may submit to a Dealer information as to the number of Second Preferred Shares Series O, if any, held by such Existing Holder which such Existing Holder

(A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period; and/or

(B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Existing Holder; and/or

(C) offers to sell without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period;

and

(ii) Potential Holders may submit to a Dealer offers to purchase Second Preferred Shares Series O, provided that any such offer shall be effective only if the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section 5.2(a) is an "Order" and collectively are "Orders"; each Existing Holder and each Potential Holder placing an Order is a "Bidder" and collectively are "Bidders"; an Order containing the information referred to in subparagraph (i) (A) of this section 5.2 (a) is a "Hold

Order" and collectively are "Hold Orders"; an Order containing the information referred to in subparagraph (i) (B) or paragraph (ii) of this section 5.2(a) is a "Bid" and collectively are "Bids"; and an Order containing the information referred to in subparagraph (i) (C) of this section 5.2 (a) is a "Sell Order" and collectively are "Sell Orders".

(b) A Bid by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series O

(i) the number of Second Preferred Shares Series O specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the specified rate; or

(ii) the specified number of Second Preferred Shares Series O or a lesser number to be determined as set forth in paragraph (iv) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or

(iii) the number of Second Preferred Shares Series O specified in such Bid if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or

(iv) a lesser number of Second Preferred Shares Series O to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(c) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series O

(i) the number of Second Preferred Shares Series O specified in such Sell Order; or

(ii) a lesser number of Second Preferred Shares Series O to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if Sufficient Clearing Bids do not exist.

(d) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase at a price of \$25.00 per Second Preferred Share Series O

(i) the number of Second Preferred Shares Series O specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the specified rate; or

(ii) the specified number or a lesser number of Second Preferred Shares Series O to be determined as set forth in paragraph (v) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or

(iii) the specified number of Second Preferred Shares Series O if the specified rate is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.

(e) If none of the holders of Second Preferred Shares Series O is an Existing Holder on any date which would be an Auction Date, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on such date.

### 5.3 Submission of Orders by Dealers to the Auction Manager

(a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order

(i) the name of the Bidder placing such Order;

(ii) the aggregate number of Second Preferred Shares Series O that are the subject of the Order;

(iii) to the extent that the Bidder is an Existing Holder, the number of Second Preferred Shares Series O, if any, subject to any

(A) Hold Order placed by such Existing Holder;



- (B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or
  - (C) Sell Order placed by such Existing Holder; and
- (iv) to the extent that the Bidder is a Potential Holder, the dividend rate per annum specified in the Bid of such Potential Holder.
- (b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001%).
- (c) If for any reason an Order or Orders covering in the aggregate all the Second Preferred Shares Series O held by an Existing Holder are not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Second Preferred Shares Series O held by such Existing Holder and not subject to Orders submitted to the Auction Manager.
- (d) If one or more Orders covering in the aggregate more than the number of Second Preferred Shares Series O held by an Existing Holder are submitted to the Auction Manager, such Orders shall be considered valid as follows and in the following order of priority:
- (i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Second Preferred Shares Series O held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Second Preferred Shares Series O subject to such Hold Orders exceeds the number of Second Preferred Shares Series O held by such Existing Holder, the number of Second Preferred Shares Series O subject to each such Hold Order shall be reduced pro rata to cover the number of Second Preferred Shares Series O held by such Existing Holder;
  - (ii) (A) any Bid shall be considered valid up to and including the excess of the number of Second Preferred Shares Series O held by such Existing Holder over the number of Second Preferred Shares Series O subject to any Hold order referred to in paragraph (i) of this section 5.3(d);
    - (B) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Second Preferred Shares Series O subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Second Preferred Shares Series O subject to each Bid with the same rate shall be reduced pro rata to cover the number of Second Preferred Shares Series O equal to such excess;
    - (C) subject to subparagraph (ii) (A) of this section 5.3 (d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and
    - (D) in any such event, the number, if any, of such Second Preferred Shares Series O subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and
  - (iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Second Preferred Shares Series O held by such Existing Holder over the sum of the Second Preferred Shares Series O subject to Hold Orders referred to in paragraph (i) of this section 5.3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this section 5.3(d).
- (e) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate therein specified.

#### 5.4 Determination of Sufficient Clearing Bids, Winning Bid Rate and Current Dividend Rate

- (a) On the Submission Deadline on each Auction Date, the Auction Manager shall assemble all Orders submitted or deemed submitted to it by the Dealers (each such order as submitted or deemed submitted by a Dealer being individually a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or

a "Submitted Order", and collectively "Submitted Hold Orders", "Submitted Bids" or "Submitted Sell Orders", as the case may be, or "Submitted Orders") and shall determine

(i) the excess of (A) the total number of Second Preferred Shares Series O issued and outstanding over (B) the number of Second Preferred Shares Series O that are the subject of Submitted Hold Orders (such excess being the "Available Shares");

(ii) from the Submitted Orders, whether

(A) the number of Second Preferred Shares Series O that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate exceeds or is equal to the sum of

(B) (I) the number of Second Preferred Shares Series O that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate, and

(II) the number of Second Preferred Shares Series O that are the subject of Submitted Sell Orders;

and if such excess or equality exists (other than because all of the Second Preferred Shares Series O are the subject of Submitted Hold Orders), then such Submitted Bids in subparagraph (A) hereof shall be "Sufficient Clearing Bids"; and

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids which if the Auction Manager accepted

(A) (I) each Submitted Bid from Existing Holders specifying that lowest rate, and

(II) all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Second Preferred Shares Series O that are the subject of those Submitted Bids, and

(B) (I) each Submitted Bid from Potential Holders specifying such rate, and

(II) all other Submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Second Preferred Shares Series O that are the subject of those Submitted Bids,

would result in such Existing Holders described in subparagraph (A) hereof continuing to hold an aggregate number of Second Preferred Shares Series O which, when added to the aggregate number of Second Preferred Shares Series O to be purchased by such Potential Holders described in subparagraph (B) hereof, would equal not less than the number of Available Shares (such lowest rate being the "Winning Bid Rate").

(b) Promptly after the Auction Manager has made the determinations pursuant to section 5.4(a) of this Part V, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Second Preferred Shares Series O for the next succeeding Auction Dividend Period (the "Current Dividend Rate") as follows:

(i) if Sufficient Clearing Bids exist, the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Second Preferred Shares Series O are the subject of Submitted Hold Orders), then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or

(iii) if all of the Second Preferred Shares Series O are the subject of Submitted Hold Orders, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

### 5.5 Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section 5.4(a) of this Part V, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:

(a) If Sufficient Clearing Bids have been made, subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Sell Order of each Existing Holder shall be accepted and the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Second Preferred Shares Series O that are the subject of such Submitted Sell Order and such Submitted Bid;

(ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold Second Preferred Shares Series O that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Second Preferred Shares Series O that are the subject of such Submitted Bid;

(iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Second Preferred Shares Series O that are the subject of such Submitted Bid, unless the number of Second Preferred Shares Series O subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Second Preferred Shares Series O subject to Submitted Bids described in paragraphs (ii) and (iii) of this section 5.5(a) (the "Remaining Shares"). In this event, the Submitted Bids of each Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Second Preferred Shares Series O, but only in an amount equal to the difference between (A) the number of Second Preferred Shares Series O then held by such Existing Holder subject to such Submitted Bid and (B) the number of Second Preferred Shares Series O obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series O held by such Existing Holder subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series O subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the number of Second Preferred Shares Series O obtained by multiplying (x) the difference between the total number of Available Shares and the number of Second Preferred Shares Series O subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this section 5.5(a) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series O subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series O subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

(b) If Sufficient Clearing Bids have not been made (other than because all of the Second Preferred Shares Series O are subject to Submitted Hold Orders), subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Second Preferred Shares Series O that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Second Preferred Share Series O that are the subject of such Submitted Bid; and

- (iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Second Preferred Shares Series O then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Second Preferred Shares Series O obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Second Preferred Shares Series O subject to Submitted Bids described in paragraphs (i) and (ii) of this section 5.5(b) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series O held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order, and the denominator of which shall be the number of Second Preferred Shares Series O subject to all such Submitted Bids and Submitted Sell Orders;
- (c) If, as a result of the procedures described in sections 5.5(a) or 5.5(b) of this Part V, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Second Preferred Share Series O on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Second Preferred Shares Series O to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be a whole number of Second Preferred Shares Series O;
- (d) If, as a result of the procedures described in section 5.5(a) of this Part V, any Potential Holder would be entitled or required to purchase a fraction of a Second Preferred Share Series O on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole numbers of Second Preferred Shares Series O are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Second Preferred Shares Series O on such Auction Date; and
- (e) Based on the result of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Second Preferred Shares Series O an Existing Holder or Existing Holders shall sell Second Preferred Shares Series O being sold by such Existing Holder or Existing Holders. Such purchases and sales of Second Preferred Shares Series O shall be completed on the Settlement Date by payment by each Potential Holder purchasing Second Preferred Shares Series O of the aggregate purchase price of the Second Preferred Shares Series O to be purchased equal to \$25.00 per Second Preferred Share Series O against delivery by each Existing Holder selling Second Preferred Shares Series O of the number of Second Preferred Shares Series O being sold.

#### 5.6 Miscellaneous

Notwithstanding the provisions of this Part V, the Auction Manager shall not follow the Auction Procedures herein on the Auction Date immediately preceding (i) the Redemption Date in the event that written notice of redemption of all the outstanding Second Preferred Shares Series O has been given pursuant to the provisions of section 1.6 of Part I hereof, or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part V, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series O upon request) shall be conclusive.

#### III-P Series Second Preferred. Series P

5,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series P (the "Second Preferred Shares Series P"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series P shall be as follows:

##### (1) Dividends

- (a) The holders of the Second Preferred Shares Series P shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$2.00 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable

quarterly on the first days of March, June, September and December, (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on September 1, 1991. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series P then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series P shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) Subject to applicable law, the directors may in their discretion at any time on or before October 1, 1996, effective as at December 1, 1996, fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series P are to be paid at an annual rate higher than \$2.00 per share, in which event such higher rate shall thereafter be applicable for all purposes of these Second Preferred Shares Series P provisions. In the event that the directors so determine to increase the dividend rate as at December 1, 1996, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series P in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series P.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series P or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series P that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series P shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series P shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series P on December 2, 1996 (the "retraction date"), at a price (the "retraction price") of \$25.00 per share plus accrued and unpaid dividends to and including such retraction date.

(b) Provided Second Preferred Shares Series P are outstanding, during the 30 day period ending October 1, 1996 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series P a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series P which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be November 1, 1996. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series P then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before November 1, 1996, a holder of Second Preferred Shares Series P desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series P to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series P represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance

shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder on or before the retraction date of the retraction price on the redemption of the Second Preferred Shares Series P to be redeemed. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series P shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series P by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series P in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01 (b) by the Corporation of the retraction price for the Second Preferred Shares Series P so redeemed, the Second Preferred Shares Series P redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series P then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series P which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series P in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series P in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series P then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series P a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series P by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before October 1, 1996, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set

forth, the holders of Second Preferred Shares Series P shall have the right to exchange Second Preferred Shares Series P on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series P.

(b) On any such exchange of Second Preferred Shares Series P, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series P exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series P the right to exchange described in paragraph 2.02(a);

(ii) the Corporation obtains, effective on or before November 1, 1996, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series P outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series P will be exchangeable for shares of the Additional Series (which period shall commence no later than December 2, 1996 (the retraction date) and end no earlier than January 6, 1997) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected, including a statement that the holders of the Second Preferred Shares Series P will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series P on or before November 1, 1996;

(iii) all dividends then payable on the Second Preferred Shares Series P then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series P accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series P for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series P appearing in the-books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series P are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series P are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (6) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series P outstanding from time to time

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series P are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series P outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this

paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series P so purchased shall not exceed \$25.00 per share plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series P are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series P so tendered by each of the holders of Second Preferred Shares Series P who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series P under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

#### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series P or any of them prior to December 2, 1996. Subject to the foregoing, and to the provisions of paragraph (6), the corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series P on payment of \$25.00 (the "redemption price") for each share to be redeemed together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series P under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series P to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series P. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the Second Preferred Shares Series P held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series P to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series P called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series P shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series P called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series P, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series P called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series P in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively, and any interest allowed on any such deposit shall belong to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series P is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).



(5) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series P shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series P have been paid up to the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to December 2, 1996, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series P in any respect. After payment to the holders of the Second Preferred Shares Series P of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series P are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series P and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series P then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series P are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series P) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series P with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series P with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series P and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series P with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series P without the prior approval of the holders of the Second Preferred Shares Series P given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series P be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series P shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series P

The approval of the holders of the Second Preferred Shares Series P with respect to any and all matters referred to in these Articles of Amendment may be given in writing by all of the holders of the Second Preferred Shares Series P for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series P duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all

Second Preferred Shares Series P then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series P then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series P present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series P then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series P. Notice of any such original meeting of the holders of the Second Preferred Shares Series P shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be these from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series P present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series P held by such holder.

(10) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series P will be required to pay tax on dividends received on the Second Preferred Shares Series P under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series P given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

III-Q Series Second Preferred Shares, Series Q

5,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series Q (the "Second Preferred Shares Series Q"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series Q shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series Q shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.475 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on December 1, 1993. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series Q then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series Q shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) Subject to applicable law, the directors may in their discretion at any time on or before October 1, 1998, effective as at December 1, 1998, fix the annual rate per share (the "dividend rate") at which fixed cumulative

preferential cash dividends on the Second Preferred Shares Series Q are to be paid at an annual rate higher than \$1.475 per share, in which event such higher rate shall thereafter be applicable for all purposes of these Second Preferred Shares Series Q provisions. In the event that the directors so determine to increase the dividend rate as at December 1, 1998, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series Q in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series Q.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series Q or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series Q that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series Q shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second Preferred Shares Series Q shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series Q on December 1, 1998 (the "retraction date"), at a price of \$25.00 per share (the "retraction price") plus accrued and unpaid dividends to but excluding such retraction date.

(b) Provided Second Preferred Shares Series Q are outstanding, during the 30 day period ending October 1, 1998 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series Q a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series Q which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be November 2, 1998. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series Q then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before November 2, 1998, a holder of Second Preferred Shares Series Q desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series Q to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series Q represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder on or before the retraction date of the retraction price and accrued and unpaid dividends on the redemption of the Second Preferred Shares Series Q to be redeemed. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series Q shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred

Shares Series Q by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series Q in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price and accrued and unpaid dividends for the Second Preferred Shares Series Q so redeemed, the Second Preferred Shares Series Q redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series Q then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series Q which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series Q in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series Q in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second Preferred Shares Series Q then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series Q a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series Q by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to and including such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before October 1, 1998, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series Q shall have the right to exchange Second Preferred Shares Series Q on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series Q.

(b) On any such exchange of Second Preferred Shares Series Q, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series Q exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series Q the right to exchange described in paragraph 2.02 (a);

(ii) the Corporation obtains, effective on or before November 2, 1998, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series Q outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series Q will be exchangeable for shares of the Additional Series (which period shall commence no earlier than November 16, 1998 and no later than December 1, 1998 (the retraction date) and end no earlier than January 4, 1999) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be effected, including a statement that the holders of the Second Preferred Shares Series Q will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series Q on or before November 2, 1998;

(iii) all dividends then payable on the Second Preferred Shares Series Q then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series Q accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series Q for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series Q appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series Q are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series Q are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (6) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series Q outstanding from time to time

(a) through the facilities of any stock exchange, on which the Second Preferred Shares Series Q are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series Q outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series Q so purchased shall not exceed \$25.00 per share plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series Q are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series Q so tendered by each of the holders of Second Preferred Shares Series Q who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series Q under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series Q or any of them prior to December 1, 1998. Subject to the foregoing, and to the provisions of paragraph (6), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series Q on payment of \$25.00 (the "redemption price") for each share to be redeemed together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series Q under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series Q to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series Q. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series Q held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series Q to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series Q called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series Q shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series Q called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series Q, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series Q called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series Q in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series Q is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(5) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series Q shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series Q have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to December 1, 1998, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class

B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series Q in any respect. After payment to the holders of the Second Preferred Shares Series Q of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series Q are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series Q and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series Q then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series Q are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series Q on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series Q with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series Q with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series Q and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series Q with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series Q without the prior approval of the holders of the Second Preferred Shares Series Q given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series Q be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series Q shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series

The approval of the holders of the Second Preferred Shares Series Q with respect to any and all matters referred to in these Second Preferred Shares Series Q provisions may be given in writing by all of the holders of the Second Preferred Shares Series Q for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series Q duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series Q then outstanding are present in person or represented by proxy in accordance with the bylaws of the Corporation; provided, however, that, if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series Q then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series Q present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series Q then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series Q. Notice of any such original meeting of the holders

of the Second Preferred Shares Series Q shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series Q present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series Q held by such holder.

(10) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2 (1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series Q will be required to pay tax on dividends received on the Second Preferred Shares Series Q under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series Q given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

III-R Series Second Preferred Shares, Series R

6,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series R (the "Second Preferred Shares Series R"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series R shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series R shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.325 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on June 1, 1994. If on any dividend payment date the dividend payable on such date is not paid in full on all of the, Second Preferred Shares Series R then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series R shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) Subject to applicable law, the directors may in their discretion at any time on or before March 31, 1999, effective as at June 1, 1999, fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series R are to be paid at an annual rate higher than \$1.325 per share, in which event such higher rate shall thereafter be applicable for all purposes of these Second Preferred Shares Series R provisions. In the event that the directors so determine to increase the dividend rate as at June 1, 1999, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series R in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any change in the dividend rate with the transfer agent for the Second Preferred Shares Series R.



(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series R or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1) and it is a term of the issue of any of the Second Preferred Shares Series R that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series R shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

## (2) Retraction Privilege

### 2.01 General Provisions

(a) A holder of Second, Preferred Shares Series R shall have the privilege the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series R on June 1, 1999 (the "retraction date"), at a price of \$25.00 per share (the "retraction price") plus accrued and unpaid dividends to but excluding such retraction date.

(b) Provided Second Preferred Shares Series R are outstanding, during the 30 day period ending March 31, 1999 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series R a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1)(b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series R which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be April 30, 1999. The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01(c) that it will not be permitted to redeem all the Second Preferred Shares Series R then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02(c)(i) hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before April 30, 1999, a holder of Second Preferred Shares Series R desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series R to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series R represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder on or before the retraction date of the retraction price and accrued and unpaid dividends on the redemption of the Second Preferred Shares Series R to be redeemed. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series R shall then be and be deemed to be redeemed and shall be cancelled.

Any retraction notice given by the Corporation pursuant to this paragraph 2.01(b) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series R by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.01(b) to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series R in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price and accrued and unpaid dividends for the Second Preferred Shares Series R so redeemed, the Second Preferred Shares Series R redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraph 2.01(b), the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series R then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series R which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series R in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series R in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from purchasing the lesser of (i) the Second-Preferred Shares Series R then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series R a notice in writing establishing a retraction privilege for the redemption of such number of Second Preferred Shares Series R by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to such first dividend payment date. The provisions of paragraph 2.01(b) shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be the day prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before March 31, 1999, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series R shall have the right to exchange Second Preferred Shares Series R on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series R.

(b) On any such exchange of Second Preferred Shares Series R, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series R exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series R the right to exchange described in paragraph 2.02 (a);

(ii) the Corporation obtains, effective on or before April 30, 1999, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series R outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series, including the period during which Second Preferred Shares Series R will be exchangeable for shares of the Additional Series (which period shall commence no earlier than May 17, 1999 and no later than June 1, 1999 (the retraction date) and end no earlier than July 2, 1999) and, to the extent not already provided in these share provisions, the manner in which exchanges shall be

effected, including a statement that the holders of the Second Preferred Shares Series R will be required to complete a notice of exchange accompanying the retraction notice and to deposit irrevocably the completed notice of exchange and the certificates to be exchanged with the transfer agent for the Second Preferred Shares Series R on or before April 30, 1999;

(iii) all dividends then payable on the Second Preferred Shares Series R then outstanding and on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series R accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation uses its best efforts to qualify, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series R for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series R appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series R are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series R are then listed for trading.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (6) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series R outstanding from time to time

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series R are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series R outstanding, or

(c) in any other manner;

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series R so purchased shall not exceed \$25.00 per share plus in all cases all accrued and unpaid dividends up to the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series R are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series R so tendered by each of the holders of Second Preferred Shares Series R who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series R under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series R or any of them prior to June 1, 1999. Subject to the foregoing, and to the provisions of paragraph (6), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series R on payment of \$25.00 (the "redemption price") for each share to be redeemed together with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series R under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series R to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series R. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Second Preferred Shares Series R held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series R to be redeemed the redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series R called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series R shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series R called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series R, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series R called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series R in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series R is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series R shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series R have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 1999, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series R in any respect. After payment to the holders of the Second Preferred Shares Series R of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### (6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series R are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series R and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series R then outstanding with respect to payment of dividends, unless all

dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series R are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series R) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series R with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series R with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series R and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series R with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series R without the prior approval of the holders of the Second Preferred Shares Series R given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series R be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series R shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series R

The approval of the holders of the Second Preferred Shares Series R with respect to any and all matters referred to in these Second Preferred Shares Series R provisions may be given in writing by all of the holders of the Second Preferred Shares Series R for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series R duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series R then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series R then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series R present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series R then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series R. Notice of any such original meeting of the holders of the Second Preferred Shares Series R shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting nor adjourned meeting, each holder of Second Preferred Shares Series R present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series R held by such holder.

(10) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2 (1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series R will be required to pay tax on dividends received on the Second Preferred Shares Series R under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series R given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

III-S Series Second Preferred Shares. Series S

2,000,000 of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series S (the "Second Preferred Shares Series S"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series S shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series S shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.65 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on March 1, 1995. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series S then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series S shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) Subject to applicable law, the directors may in their discretion at any time on or before December 31, 1999, effective as at March 1, 2000, fix the annual rate per share (the "dividend rate") at which fixed cumulative preferential cash dividends on the Second Preferred Shares Series S are to be paid at an annual rate higher than \$1.65 per share, in which event such higher rate shall thereafter be applicable for all purposes of these Second Preferred Shares Series S provisions. In the event that the directors so determine to increase the dividend rate as at March 1, 2000, the Corporation shall give notice of such increased dividend rate to all holders of Second Preferred Shares Series S in the retraction notice to be sent by the Corporation to all such holders in respect of the retraction date pursuant to paragraph 2.01(b).

The Corporation shall, in addition, file a copy of the resolution of its board of directors providing for any increase in the dividend rate with the transfer agent for the Second Preferred Shares Series S.

(c) Nothing herein contained shall require or be deemed to require any sanction or consent from the holders of the Second Preferred Shares Series S or any of them to an increase of the dividend rate in accordance with the foregoing provisions of this paragraph (1), and it is a term of the issue of any of the Second Preferred Shares Series S that the holders consent to any such increase of the dividend rate. The holders of the Second Preferred Shares Series S shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(d) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends.

(2) Retraction Privilege

2.01 General Provisions

(a) A holder of Second Preferred Shares Series S shall have the privilege (the "retraction privilege") of requiring the Corporation to redeem all or any of such holder's Second Preferred Shares Series S on March 1, 2000 (the "retraction date"), at a price of \$25.00 per share (the "retraction price") plus accrued and unpaid dividends to but excluding such retraction date.

(b) Provided Second Preferred Shares Series S are outstanding, during the 30 day period ending December 31, 1999 the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series S a written notice (a "retraction notice") giving details of the retraction privilege together with notice of any increase in the dividend rate effected pursuant to paragraph (1) (b) hereof and specifying a place or places for the deposit by the holder of the certificate or certificates representing the Second Preferred Shares Series S which such holder desires to have the Corporation redeem on the retraction date and the date on or prior to which such deposit shall be made by such holder in order to exercise such retraction privilege, which date shall be February 1, 2000 (the "deposit date"). The retraction notice will also contain, if the Corporation determines under the provisions of paragraph 2.01 (c) that it will not be permitted to redeem all the Second Preferred Shares Series S then outstanding, the statement required under the provisions of paragraph 2.01(c). The retraction notice will further contain the information required by paragraph 2.02 hereof if the Corporation elects to issue shares of an Additional Series (as hereinafter defined) pursuant thereto.

On or before the deposit date, a holder of Second Preferred Shares Series S desiring to exercise the retraction privilege shall deposit the certificate or certificates representing the Second Preferred Shares Series S to be redeemed together with a written notice signed by the holder requesting redemption of the Second Preferred Shares Series S represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to make payment to the holder on or before the retraction date of the retraction price and accrued and unpaid dividends on the redemption of the Second Preferred Shares Series S to be redeemed. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series S shall then be and be deemed to be redeemed and shall be cancelled.

(c) Subject as provided in this paragraph 2.01(c), the Corporation shall on the retraction date redeem all Second Preferred Shares Series S in respect of which holders shall have duly exercised the retraction privilege. Upon payment as set out in paragraph 2.01(b) by the Corporation of the retraction price and accrued and unpaid dividends for the Second Preferred Shares Series S so redeemed, the Second Preferred Shares Series S redeemed shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof. If, prior to the mailing or publication of a notice giving details of the retraction privilege in accordance with paragraphs 2.01(b) and 2.03, the Corporation determines that it will not be permitted, under the provisions of any applicable law or under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to redeem all the Second Preferred Shares Series S then outstanding, the Corporation shall include therein a statement of the maximum number of Second Preferred Shares Series S which it then believes it will be permitted to redeem on the retraction date and, provided that the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all Second Preferred Shares Series S in respect of which the holders thereof have exercised their rights under the retraction privilege would be contrary to any of the aforementioned provisions of law or any such trust indenture, the maximum sum of money that may be applied in such redemption shall be rounded to the next lower multiple of \$100,000 and the shares so to be redeemed shall be selected pro rata (disregarding fractions). In such case, if a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

(d) If the Corporation fails to redeem, because of provisions of applicable law or the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, any of the Second Preferred Shares Series S in respect of which the holders thereof have exercised their rights under the retraction privilege, then as soon as reasonably feasible after the Corporation is no longer prevented, under any of the aforementioned provisions of law or of any trust indenture securing bonds, debentures or other securities of the Corporation, from redeeming the lesser of (i) the Second Preferred Shares Series S then outstanding and (ii) 10,000 of such shares, the Corporation shall mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series S a notice in writing establishing a retraction privilege for the redemption of such number of Second

Preferred Shares Series S by the Corporation on the first dividend payment date which is not less than 30 days subsequent to the date of such notice at a price of \$25.00 per share plus accrued and unpaid dividends to but excluding such first dividend payment date. The provisions of paragraphs 2.01(b) and 2.03 shall apply to such retraction privilege mutatis mutandis, except that the date on or prior to which deposit shall be made by such holder in order to exercise such retraction privilege shall be 10 days prior to such first dividend payment date and no alternate means of giving notice shall apply in the event of a threatened or actual disruption in the mail service.

## 2.02 Exchange

(a) The directors of the Corporation may at their option, on or before December 31, 1999, designate a new series of Series Second Preferred Shares (the "Additional Series") into which, upon and subject to the terms hereinafter set forth, the holders of Second Preferred Shares Series S shall have the right (the "exchange right") to exchange Second Preferred Shares Series S on the basis of one share of the Additional Series for each share of the Second Preferred Shares Series S.

(b) If the directors elect to offer holders of the Second Preferred Shares Series S an exchange right, the Corporation shall include in the retraction notice details of the exchange right, including the place or places for the deposit by a registered holder of the certificate or certificates representing the Second Preferred Shares Series S which such holder desires to exchange and the date on or prior to which such deposit shall be made by such holder in order to exercise such exchange right, which date shall be the deposit date.

On or before the deposit date, a holder of Second Preferred Shares Series S desiring to exercise the exchange right shall deposit the certificate or certificates representing the Second Preferred Shares Series S to be exchanged together with a written notice signed by the holder requesting exchange of the Second Preferred Shares Series S represented by such certificate or certificates or such lesser number thereof as may be specified in such notice. If a part only of the shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued at the expense of the Corporation. Such deposit shall be irrevocable unless the Corporation shall fail to satisfy the conditions specified in paragraph 2.02 (c) on or before the date of issue of the Additional Series. Subject as provided in paragraphs 2.02 (b) and 2.02 (c), the Corporation shall on the retraction date issue shares of the Additional Series in exchange for all Second Preferred Shares Series S in respect of which holders shall have duly exercised the exchange right. Upon the issuance of the shares of the Additional Series, the Second Preferred Shares Series S exchanged shall be cancelled.

(c) The Corporation may issue the Additional Series only if:

(i) the directors of the Corporation shall have elected, and shall have communicated such election in the retraction notice, to offer holders of the Second Preferred Shares Series S the exchange right;

(ii) the Corporation obtains, effective prior to March 1, 2000, a Certificate of Amendment designating the Additional Series, fixing the number of shares thereof (which shall be at least equal to the number of Second Preferred Shares Series S outstanding at the close of business on the business day prior to the effective date of such Certificate of Amendment) and setting forth the rights, privileges, restrictions and conditions attaching thereto as a series;

(iii) all dividends on the Second Preferred Shares Series S accrued up to the retraction date and all dividends then payable on all other shares of the Corporation ranking as to dividends prior to or on a parity with the Second Preferred Shares Series S accrued up to the immediately preceding respective date or dates for the payment of dividends thereon have been declared and paid or set apart for payment and the Corporation is not otherwise in default under the rights, privileges, restrictions and conditions attaching to any such shares;

(iv) the Corporation has qualified, if necessary, shares of the Additional Series for distribution or distribution to the public, as the case may be, upon the exchange of Second Preferred Shares Series S for shares of the Additional Series in all provinces and territories of Canada in which there are then addresses of holders of Second Preferred Shares Series S appearing in the books of the Corporation or in which there is a stock exchange upon which the Second Preferred Shares Series S are then listed for trading; and

(v) the Corporation has used and continues to use its best efforts to have the shares of the Additional Series listed for trading on each stock exchange on which the Second Preferred Shares Series S are then listed for trading.



(d) On any such exchange of Second Preferred Shares Series S, the certificate or certificates representing the shares of the Additional Series resulting therefrom shall be issued, at the expense of the Corporation, in the name of the holder of the Second Preferred Shares Series S exchanged or in such name or names as such holder may direct in writing, provided that such holder shall pay any applicable security transfer taxes.

### 2.03 Notice

Any notice given by the Corporation pursuant to this paragraph (2) shall be mailed in a prepaid letter addressed to each shareholder entitled thereto at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of the retraction privilege or exchange right or a change in the dividend rate. In the event of a threatened or actual disruption in the mail service, notice as aforesaid shall be given to registered holders of Second Preferred Shares Series S by means of publication twice in successive weeks in a newspaper of general circulation published in each of the cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver. Publication in each week in each newspaper shall be made within a period of seven days of publication in each other newspaper. If at any time any notice is required under the provisions of this paragraph 2.03 to be published in a particular city and no newspaper of general circulation is then being published and circulated on a daily basis in that city, the Corporation shall not be required to publish in that city. Any notice given by mail shall be deemed to be given on the day on which it is mailed. Any notice given by publication shall be deemed to be given on the day on which the first publication is completed in all of the cities in which publication is required.

### (3) Purchase for Cancellation

Subject to the provisions of paragraph (6) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series S outstanding from time to time

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series S are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series S outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable; provided, however, that in the case of a purchase in any manner other than as provided in subparagraphs (a) and (b) of this paragraph (3), the price which the Corporation may pay for any Second Preferred Shares Series S so purchased shall not exceed \$25.00 per share plus in all cases all accrued and unpaid dividends up to but excluding the date of purchase and costs of purchase. If upon any invitation for tenders under the provisions of this paragraph (3) more Second Preferred Shares Series S are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series S so tendered by each of the holders of Second Preferred Shares Series S who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series S under the provisions of this paragraph (3), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (4) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series S or any of them prior to March 1, 2000. Subject to the foregoing, and to the provisions of paragraph (6), the Corporation may in the manner provided by paragraph (4)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series S on payment of \$25.00 (the "redemption price") for each share to be redeemed together with all accrued and unpaid dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series S under the provisions of this paragraph (4), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series S to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series S. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part only of the Second Preferred Shares Series S held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series S to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series S called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series S shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Second Preferred Shares Series S called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series S, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series S called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series S in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series S is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

#### (5) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series S shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series S have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to March 1, 2000, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series S in any respect. After payment to the holders of the Second Preferred Shares Series S of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### (6) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series S are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series S and all the Cumulative Preferred Shares and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with

the Second Preferred Shares Series S then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(7) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series S are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series S) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series S with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series S with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series S and on the Cumulative Preferred Shares and the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series S with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(8) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series S without the prior approval of the holders of the Second Preferred Shares Series S given as specified in paragraph (9), nor shall the number of Second Preferred Shares Series S be increased without such approval; provided, however, that nothing in this paragraph (8) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series S shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(9) Sanction by Holders of Second Preferred Shares Series S

The approval of the holders of the Second Preferred Shares Series S with respect to any and all matters referred to in these Second Preferred Shares Series S provisions may be given in writing by all of the holders of the Second Preferred Shares Series S for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series S duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series S then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series S then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series S present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series S then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series S. Notice of any such original meeting of the holders of the Second Preferred Shares Series S shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series S present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series S held by such holder.

(10) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2 (1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series S will be required to pay tax on dividends received on the Second Preferred Shares Series S under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series S given as specified in paragraph (9), in addition to any other approval required by the Canada Business Corporations Act.

III-T Series Second Preferred Shares, Series T

1,600,000 of the Series Second Preferred Shares are designated Perpetual Cumulative Second Preferred Shares Series T (the "Second Preferred Shares Series T"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series T shall be as follows:

PART I

1.1 Definitions

All defined terms used in Part I hereof and not defined therein are defined and have the meanings ascribed to them in section 2.1 of Part II hereof.

1.2 Payment of Dividends

(a) Subject to section 1.2(e) hereof, during the Initial Five Year Term, the holders of the Second Preferred Shares Series T shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends in an amount determined in accordance with section 1.3(a) hereof, payable in equal quarterly installments on the Dividend Payment Dates in each year, subject to section 4.2(e) of Part IV hereof.

(b) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Corporation Determined Term, the holders of the Second Preferred Shares Series T shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(b) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(c) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Dealer Determined Term, the holders of the Second Preferred Shares Series T shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(c) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period falling within an Auction Term, the holders of the Second Preferred Shares Series T as they appear on the securities register of the Corporation on the Auction Date within such Auction Dividend Period shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(d) hereof, payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.

(e) The initial dividend on the Second Preferred Shares Series T shall accrue from and include the original date of issue of the Second Preferred Shares Series T, shall be payable on March 2, 1997, and shall be in an amount determined in accordance with section 1.3(a) hereof.

(f) Cheques of the Corporation payable in lawful money of Canada, rounded to the nearest whole cent (\$0.01), shall be issued in respect of dividends on the Second Preferred Shares Series T (less any tax required to be deducted and withheld by the Corporation). The mailing by ordinary unregistered first class prepaid mail of such a cheque to a registered holder of Second Preferred Shares Series T to the address of such registered holder as it appears on the securities register of the Corporation, or if the address of any such holder does not appear, then to the last known address of such holder, on or before the fifth Business Day next preceding the applicable Dividend Payment Date or the delivery by the Corporation or the Auction Manager of such cheque on or before the Auction Dividend Payment Date, as the case may be, shall be deemed to be payment and shall satisfy and discharge all liabilities for dividends payable on such Dividend Payment Date or Auction Dividend Payment Date to the extent of the amount represented thereby (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not paid on due presentation.

### 1.3 Amount of Dividends

(a) The dividend to be paid on each Second Preferred Share Series T during the Initial Five Year Term shall be the amount of \$1.1575 per annum payable in equal quarterly installments of \$0.289375 on each Dividend Payment Date except the first dividend which shall be payable on March 2, 1997, and shall be in the amount of \$0.289375 multiplied by a fraction, the numerator of which is the number of days from and including the original date of issue of the Second Preferred Shares Series T to but excluding the first Dividend Payment Date, and the denominator of which is 90.

(b) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Second Preferred Share Series T on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.

(c) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Second Preferred Share Series T on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Second Preferred Share Series T on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:

(i) on the first Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Second Preferred Share Series T shall be the amount which is the product of (1) \$25.00, (2) 75% of the Bankers' Acceptance Rate (as defined in Part V hereof) where the Bankers' Acceptance Rate is determined on the first Business Day of such Auction Dividend Period, and (3) the number of days in the first Auction Dividend Period, all divided by 365; and

(ii) on the second and subsequent Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Second Preferred Share Series T shall be the amount which is the product of (1) \$25.00, (2) the Current Dividend Rate (or such other rate per annum as may apply in accordance with Part V hereof) for each such Auction Dividend Period, determined on the Auction Date immediately prior to the beginning of such Auction Dividend Period, and (3) the number of days in such Auction Dividend Period, all divided by 365.

(e) After expiry of the Initial Five Year Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Second Preferred Share Series T on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) \$25.00, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, and (3) the number of days in such Dividend Period, all divided by 365.

#### 1.4 Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Second Preferred Shares Series T then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors of the Corporation on which dividends are otherwise payable hereunder and on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Second Preferred Shares Series T shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

#### 1.5 Redemption

The Second Preferred Shares Series T will not be redeemable on or before the date that is the fifth anniversary of the original date of issue of the Second Preferred Shares Series T. Subject to section 1.8 hereof, the Corporation may, upon giving notice as hereinafter provided, redeem at any time after the fifth anniversary of the original date of issue all or from time to time any of the then outstanding Second Preferred Shares Series T on payment for each share to be redeemed of an amount equal to \$25.00 together with an amount equal to all accrued and unpaid dividends thereon, whether or not declared, calculated to but excluding the Redemption Date (as hereinafter defined). Such amount is herein referred to as the "Redemption Price". If less than all of the then outstanding Second Preferred Shares Series T are to be redeemed, the Second Preferred Shares Series T to be redeemed shall be redeemed as nearly as may be pro rata from each of the holders of Second Preferred Shares Series T. Any Second Preferred Share Series T which is so redeemed shall be cancelled and not reissued.

#### 1.6 Redemption Procedure

(a) The Corporation shall, at least thirty (30) days before the date specified for redemption of Second Preferred Shares Series T, mail or deliver to each person who at the date of mailing is a registered holder of Second Preferred Shares Series T to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series T. Notwithstanding the foregoing, if the Corporation gives notice of its intention to redeem Second Preferred Shares Series T on a Redemption Date (as hereinafter defined) which is during an Auction Term, such notice shall be given not less than 12 days prior to the date on which the redemption is to take place, which date, in such event, must be an Auction Dividend Payment Date.

(b) Such notice shall set out the Redemption Price and the date ("Redemption Date") on which redemption is to take place and, if part only of the Second Preferred Shares Series T held by the person to whom such notice is addressed is to be redeemed, the number thereof so to be redeemed. The Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series T to be redeemed the Redemption Price therefor on presentation and surrender, at the place designated in such notice, of the certificates representing the Second Preferred Shares Series T so called for redemption. Such payment shall be made by cheque of the Corporation and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Second Preferred Shares Series T so called for redemption to the extent of the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. If part only of the Second Preferred Shares Series T represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the Redemption Date, the Second Preferred Shares Series T called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after giving notice of its intention to redeem Second Preferred Shares Series T as aforesaid, to deposit the Redemption Price for the Second Preferred Shares Series T so called for redemption (or such of the said shares as may be represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption) in a special account in any chartered bank or any trust company in Canada named in such notice or in any subsequent notice to the holders of the shares in respect of which the deposit is made, provided that the amount deposited in such an account shall be paid to the holders of such shares upon presentation and surrender to such bank or trust company of the certificates representing such shares. The Redemption Price so deposited shall be paid on or after the Redemption Date without interest to or to the order of the respective holders of such Second Preferred Shares Series T called for redemption. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Second Preferred Shares Series T in respect of which such deposit shall have been made shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving, without interest, the Redemption Price of such Second Preferred Shares Series

T so called for redemption (less any tax required to be and in fact deducted or withheld therefrom) upon presentation and surrender of the certificates representing the holder's shares so redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

(c) Redemption moneys that are represented by a cheque which was mailed to a registered holder in accordance with this section 1.6 and which has not been duly presented for payment within, or that otherwise remain unclaimed (including moneys held on deposit as aforesaid) for, a period of 5 years from the Redemption Date shall be forfeited to the Corporation.

#### 1.7 Purchase for Cancellation

Subject to section 1.8 hereof, the Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Second Preferred Shares Series T outstanding from time to time at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable, but not exceeding \$25.00 per share plus all accrued and unpaid dividends and costs of purchase.

#### 1.8 Restriction on Dividends and Retirement of Shares

So long as any of the Second Preferred Shares Series T are outstanding, the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series T) on the Class A non-voting shares or Class B common shares of the Corporation or any other shares of the Corporation ranking junior to the Second Preferred Shares Series T with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series T with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date or Auction Dividend Payment Date, as the case may be, on the Second Preferred Shares Series T and the dividend payable on the last preceding respective dividend payment dates on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series T with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subsections (a) and (b) of this section 1.8.

#### 1.9 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series T shall be entitled to receive in lawful money of Canada \$25.00 per share together with an amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to but excluding the date of payment or distribution, the whole to be paid before any amount is paid or any property or assets of the Corporation are distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or any other shares ranking junior to the Second Preferred Shares Series T. Upon payment to the holders of record of the Second Preferred Shares Series T of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

## PART II

### 2.1 Interpretation and Application of Part I, Part III, Part IV and Part V

(a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following terms have the following meanings:

- (i) "Auction Dividend Payment Date" shall have the meaning ascribed to that term in Part V hereof;
- (ii) "Auction Dividend Period" shall have the meaning ascribed to that term in Part V hereof;

- (iii) "Auction Procedures" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Second Preferred Shares Series T from time to time during an Auction Term;
- (iv) "Auction Term", "Auction Date" and "Auction Manager" shall have the respective meanings ascribed to those terms in Part V hereof;
- (v) "Business Day" shall have the meaning ascribed to that term in Part V hereof;
- (vi) "Corporation Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part III hereof;
- (vii) "Corporation Determined Term" shall have the meaning ascribed to that term in Part III hereof;
- (viii) "Current Dividend Rate" shall have the meaning ascribed to that term in Part V hereof;
- (ix) "Dealer Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (x) "Dealer Determined Term" shall have the meaning ascribed to that term in Part IV hereof;
- (xi) "Dividend Payment Dates" shall mean the second day of each of the months of March, June, September and December in each year;
- (xii) "Dividend Period" shall mean the period from and including the original date of issue of the Second Preferred Shares Series T to but excluding the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date except for the first Dividend Period following an Auction Term in which case "Dividend Period" shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;
- (xiii) "Initial Five Year Term" shall mean the five year period commencing on the original date of issue of the Second Preferred Shares Series T and ending on the fifth anniversary of the original date of issue;
- (xiv) the use of the terms "ranking in priority to" or "ranking on a parity with" or "ranking junior to" or similar terms, whether used independently or in combination, mean and refer to the ranking of shares of different classes or series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and
- (xv) "Settlement Date" shall have the meaning ascribed to that term in Part V hereof.

Terms defined in Part III, Part IV or Part V hereof and used but not defined in this Part II have the meanings ascribed to them in Part III, Part IV or Part V, as the case may be.

- (b) In the event that any date on which any dividend on the Second Preferred Shares Series T is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.
- (c) In the event of the non-receipt of a cheque by a holder of Second Preferred Shares Series T entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.
- (d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be used by the Corporation, at the earliest, in the period between 45 days and 60 days prior to the expiry of the Initial Five Year Term, and thereafter may be used by the Corporation



from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not less than 45 days and not more than 60 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not less than 20 days and not more than 25 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(e) The provisions of Part IV hereof with respect to solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be used by the Corporation, at the earliest, 30 days prior to the expiry of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not more than 30 days and not less than 25 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not more than 13 days and not less than 10 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(f) The provisions of Part V hereof shall apply from and after the end of the Initial Five Year Term and from and after the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time the provisions of Part III or Part IV hereof are fully implemented in accordance with the terms of those Parts.

(g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "accrued and unpaid dividends" means the aggregate of (i) all unpaid dividends on the Second Preferred Shares Series T in respect of any Dividend Payment Date for any completed Dividend Period and Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Second Preferred Share Series T had been accruing on a day to day basis in a manner consistent with section 1.3 of Part I hereof from the date of the most recently completed Dividend Period or Auction Dividend Period to but excluding the date on which the computation of accrued dividends is to be made, provided that, for the purposes of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Second Preferred Shares Series T has been given pursuant to the provisions of section 1.6 of Part I hereof or (y) the relevant date for the purposes of section 1.9 of Part I hereof, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term, shall be for the period of 90 days ending on a day not more than 7 days prior to the date the written notice of redemption is given pursuant to the provisions of section 1.6 or ending on the relevant date for the purposes of section 1.9, as the case may be.

## 2.2 Notices

(a) Any notice or other communication from the Corporation provided for herein, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail to the holders of the Second Preferred Shares Series T at their respective addresses appearing on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. In addition, any notice or other communication from the Corporation during an Auction Term or a notice of the Corporation's intention to redeem Second Preferred Shares Series T on a day which is during an Auction Term shall also be given by telex, telecopier or telegraph communication. Accidental failure to give any notice or other communication to one or more holders of the Second Preferred Shares Series T shall not affect the validity of the notice or other communication properly given or any action, including the redemption of all or any part of the Second Preferred Shares Series T, taken pursuant to such properly given notice or other communication, but upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.

(b) If the Corporation 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 the holder of any Second Preferred Shares Series T, whether in connection with the redemption of such shares or otherwise, the Corporation, notwithstanding the provisions hereof, may

(i) give such notice by telex, telecopier or telegraph communication or by means of publication once in each of two successive weeks in newspapers of general circulation published or distributed in Edmonton and Toronto, and such notice shall be deemed to have been given on the date on which such telex,

telecopier or telegraph communication was given or on the date on which the first publication has taken place; and

(ii) fulfill the requirement to send such cheque or such share certificate by arranging for delivery thereof to the holder at such holder's address appearing on the securities register, or in the event of the address of such holder not so appearing, then at the last address of such holder known to the Corporation.

### 2.3 Voting Rights

In connection with any action to be taken by the Corporation which requires the approval of the holders of the Second Preferred Shares Series T as a series or of the holders of Series Second Preferred Shares as a class, each Second Preferred Share Series T shall entitle the holder thereof to one (1) vote for such purpose.

### 2.4 Modification

The provisions attached to the Second Preferred Shares Series T may be repealed, altered, modified or amended from time to time with such approvals as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with section 2.5 of this Part II.

### 2.5 Approval of Holders of Second Preferred Shares Series T

Any approval given by the holders of Second Preferred Shares Series T shall be deemed to have been sufficiently given if it shall have been given by the holders of Second Preferred Shares Series T as provided in the provisions attaching to the Series Second Preferred Shares as a class, which provisions shall apply mutatis mutandis.

### 2.6 Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series T will be required to pay tax on dividends received on the Second Preferred Shares Series T under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## PART III

### INVESTOR NEGOTIATION PROCEDURE

#### 3.1 Definitions

For the purposes of Part III hereof, the following terms have the following meanings:

- (a) "Average Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (b) "Average Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part III references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to the relevant date for determining the Corporation Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (d) "Banks" shall have the meaning ascribed to that term in Part IV hereof;
- (e) "Corporation Determined Percentage" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section 3.2 of this Part III;

(f) "Corporation Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the Corporation in its notice pursuant to section 3.2 of this Part III, which shall be one of

(i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(g) "Corporation Determined Term" shall mean a term, selected by the Corporation, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series T, and terminating on the last day of the last Dividend Period selected by the Corporation, to which term the provisions of this Part III shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto have been approved by the holders of the Second Preferred Shares Series T in accordance with section 3.3 of this Part III; and

(h) "Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof.

Terms defined in Part II, Part IV or Part V hereof and used but not defined in this Part III have the meanings ascribed to them in Part II, Part IV or Part V, as the case may be.

### 3.2 Determination of New Dividend Rate

At least 45 days and not more than 60 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 20 days and not more than 25 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may notify the holders of Second Preferred Shares Series T of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term. Such notification to such holders shall also

(a) specify a date by which each holder must notify the Corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term, if such holder intends to accept such terms, which date shall be at least 35 days prior to the end of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the relevant Auction Dividend Period, as the case may be, and

(b) specify that the proposed Corporation Determined Quarterly Dividend Rate and proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Second Preferred Shares Series T accept such terms.

### 3.3 Acceptance of Corporation Determined Quarterly Dividend Rate

If,

(a) by the time prescribed in section 3.2(a) of this Part III, all of the holders of Second Preferred Shares Series T have accepted the Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term as evidenced by notice in writing to the Corporation, and

(b) at least 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 12 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such terms,

then such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid to the holders of Second Preferred Shares Series T, from time to time, on each of the Second Preferred Shares Series T on each Dividend Payment Date for Dividend Periods during such Corporation Determined Term.

### 3.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part III, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series T upon request) shall be conclusive.

## PART IV

### DEALER BID PROCEDURES

#### 4.1 Definitions

For the purposes of Part IV hereof, the following terms have the following meanings:

- (a) "Accepted Dealer Offer" shall have the meaning ascribed to that term in section 4.2(c) of this Part IV;
- (b) "Average Daily Prime Rate" shall mean, for any day, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one or more of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other one Bank or the average of the Daily Prime Rates of the other Banks, as the case may be, and further provided that if on such day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.5% above the average yield per annum on 91-day Government of Canada Treasury Bills as reported by the Bank of Canada for the most recent weekly tender preceding such day;
- (c) "Average Prime Rate" shall mean, for any period consisting of one or more days, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Average Daily Prime Rate for each day during such period;
- (d) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part IV references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to the relevant date for determining the Dealer Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (e) "Banks" shall mean The Royal Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and The Bank of Nova Scotia and the term "Bank" shall mean one of the Banks, and for the purposes of this definition "Banks" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks;
- (f) "Daily Prime Rate" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such Bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;
- (g) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part IV;
- (h) "Dealer Determined Percentage" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section 4.2(b) of this Part IV;

(i) "Dealer Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by a Dealer in an Accepted Dealer Offer which shall be one of

(i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(j) "Dealer Determined Term" shall mean a term, selected by a Dealer, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series T, and terminating on the last day of the last Dividend Period selected by such Dealer, to which term the provisions of this Part IV shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term;

(k) "Dealer Offer" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Second Preferred Shares Series T on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, at a purchase price per Second Preferred Share Series T equal to \$25.00 and containing the information specified in section 4.2(b) of this Part IV;

(l) "Dealer Response Date" shall have the meaning ascribed to that term in section 4.2(a) of this Part IV;

(m) "Notice Requesting Bids" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section 4.2(a) of this Part IV; and

(n) "Notification to Holders" shall mean the notification from the Corporation to holders of Second Preferred Shares Series T of the acceptance of a Dealer Offer as provided for in section 4.2(d) and, if applicable, section 4.2(e) of this Part IV.

Terms defined in Part II, Part III or Part V hereof and used but not defined in this Part IV have the meanings ascribed to them in Part II, Part III or Part V, as the case may be.

#### 4.2 Bids by Dealers

(a) At least 25 days and not more than 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 10 days and not more than 13 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Second Preferred Shares Series T. Such solicitation shall be contained in a notice ("Notice Requesting Bids") to be sent by the Corporation to such Dealers which notice shall

(i) invite each Dealer to submit to the Corporation a Dealer Offer, and

(ii) specify a date, which shall be not more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall be not more than 5 days after the giving of such notice, by which any such offer must be received by the Corporation (the "Dealer Response Date").

(b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies

(i) a Dealer Determined Quarterly Dividend Rate (and, in connection therewith, unless a fixed rate is specified, the Dealer Determined Percentage of the Average Prime Rate or the Dealer Determined Percentage of the Bankers' Acceptance Rate, as the case may be),

- (ii) a Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(b) will apply, and
  - (iii) the amount of any fee to be paid by the Corporation to the Dealer in connection with the purchase of Second Preferred Shares Series T pursuant to the Dealer Offer.
- (c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before the fifteenth day prior to expiry of the Initial Five Year Period or the then current Corporation Determined Term or Dealer Determined Term or on or before the fifth day prior to the end of the relevant Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts ("Accepted Dealer Offer"). The Dealer whose Dealer Offer is accepted will be required to purchase all of the Second Preferred Shares Series T not retained by the existing holders on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, on the terms and subject to the conditions contained in the Accepted Dealer Offer.
- (d) Concurrently with its acceptance of a Dealer Offer, and in any event not later than 15 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or not later than 5 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation shall notify ("Notification to Holders") each existing holder of Second Preferred Shares Series T that the Corporation has accepted a Dealer Offer. Such notification shall
- (i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Second Preferred Shares Series T,
  - (ii) specify the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(d) will apply,
  - (iii) notify such holders of the right of each holder either to sell all or some of the Second Preferred Shares Series T it holds to such Dealer or to continue to hold all or some of the Second Preferred Shares Series T it then holds,
  - (iv) notify such holders of the date (which shall be on or before the sixth day prior to the expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or on or before the second day prior to the expiry of the relevant Auction Dividend Period, as the case may be) by which each holder must notify in writing the Corporation and the Dealer whose Dealer Offer has been accepted of its decision to sell some or all of the Second Preferred Shares Series T it holds as provided for in section 4.2(t) of this Part IV, and
  - (v) identify the Dealer whose Dealer Offer has been accepted.
- (e) If a notification to Holders is given during the Initial Five Year Term, a Corporation Determined Term, or a Dealer Determined Term, the dividend for the then current Dividend Period will be payable on the first business day following the Dividend Payment Date for such Dividend Period, and the Notification to Holder shall so state.
- (f) Upon receipt of the Notification to Holders, an existing holder of Second Preferred Shares Series T may elect to sell Second Preferred Shares Series T in accordance with the terms specified in such Notification to Holders by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Second Preferred Shares Series T who elects to sell all or a part of its holdings of Second Preferred Shares Series T shall, together with such notice, deposit the certificate or certificates representing Second Preferred Shares Series T which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Second Preferred Shares Series T may be transferred or at any other place or places in Canada specified by the Corporation to holders of the Second Preferred Shares Series T in the Notification to Holders. If a holder of Second Preferred Shares Series T wishes to sell only some of the Second Preferred Shares Series T represented by any share certificate or certificates, the holder may deposit the certificate or certificates with the Corporation, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Second Preferred Shares Series T which are not being delivered for sale. Any holder of Second Preferred Shares Series T that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Second Preferred Shares Series T then held by it subject to the terms and conditions as to

the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Second Preferred Shares Series T pursuant to the provisions of this Part IV and shall also bind the Dealer in question.

(g) At least one Business Day before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section 4.2(f) of this Part IV and of the identity of the vendor or vendors thereof.

(h) On the day of expiry of the Initial Five Year Term, the Corporation Determined Term or the Dealer Determined Term or on the Settlement Date immediately following the expiry of the relevant Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer will purchase the Second Preferred Shares Series T from the holders specified in section 4.2(g) of this Part IV, at the purchase price as set out in section 4.1(k) of this Part IV. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer shall deposit with the Corporation at its registered office, prior to noon, Edmonton time, on such date, a certified cheque payable to the Corporation, as agent for the vendors referred to in section 4.2(g) of this Part IV, representing the aggregate purchase price of the Second Preferred Shares Series T to be purchased pursuant to this section 4.2(h) together with a direction as to registration particulars with respect to such Second Preferred Shares Series T to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendors at the registered office of the Corporation cheques payable to the vendors in payment of the purchase price for such Second Preferred Shares Series T.

#### 4.3 Termination of Application

Notwithstanding the acceptance of a Dealer Offer as provided for in this Part IV, the Corporation may notify the holders that the Corporation does not intend to proceed to implement application of the Dealer Determined Quarterly Dividend Rate and Dealer Determined Term as set forth in the Notification to Holders provided that such notification is given by the Corporation to existing holders on or before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be. In such circumstances, the provisions of Part V hereof shall be applied in accordance with such Part and, for greater certainty, the Dealer whose Dealer Offer has been accepted shall not be obliged to purchase any Second Preferred Shares Series T pursuant to such Dealer Offer. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry of any subsequent Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, to implement the provisions of this Part IV by forwarding a Notice Requesting Bids to one or more Dealers.

#### 4.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part IV, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series T upon request) shall be conclusive.

### PART V

#### AUCTION PROCEDURES

##### 5.1 Definitions

For the purposes of Part V hereof, the following terms have the following meanings:

- (a) "Auction" shall mean the periodic operation of the procedures set forth in this Part V;
- (b) "Auction Date" shall mean the fourth Tuesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Tuesday is not a Business Day, the next preceding Business Day;

- (c) "Auction Dividend Payment Date" shall mean the Business Day immediately following the Settlement Date;
- (d) "Auction Dividend Period" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the last Dividend Payment Date of the Initial Five Year Term or of the Corporation Determined Term or Dealer Determined Term immediately preceding such Auction Term, as the case may be, to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date;
- (e) "Auction Manager" shall mean the Corporation or any trust company or any successor thereto duly appointed or to be appointed by the Corporation as Auction Manager in respect of the Second Preferred Shares Series T and entering into an Auction Manager Agreement with the Corporation;
- (f) "Auction Manager Agreement" shall mean an agreement made between the Auction Manager, if other than the Corporation, and the Corporation which provides, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Second Preferred Shares Series T;
- (g) "Auction Term" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures in this Part V apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;
- (h) "Available Shares" shall have the meaning specified in paragraph (i) of section 5.4(a) of this Part V;
- (i) "Bankers' Acceptance Rate" shall mean, with respect to any Auction Dividend Period, the rate per annum equal to
- (i) the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the rates per annum quoted by RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) where such rates per annum, quoted by such dealers, are equal to the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on the Auction Date next preceding such Auction Dividend Period, on 30-day bankers' acceptances accepted by such of the Banks as are accepting 30-day bankers' acceptances on such Auction Date;
  - (ii) in the event one of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) is unable to or does not for any reason quote the bid and ask rates per annum referred to in paragraph (i) of this section 5.1(i) as at 10:00 a.m., Toronto time, on such Auction Date, such rate shall be the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates per annum on such date quoted by the other one; or
  - (iii) in the event both RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Toronto time, on such Auction Date (including, without limitation, where none of the Banks is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (i) or (ii) above, such rate shall be 0.2% plus the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on such Auction Date, on Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date;
- (j) "Bid" and "Bids" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (k) "Bidder" and "Bidders" shall have the respective meanings specified in section 5.2(a) of this Part V;



- (l) "Business Day" shall mean a day on which both the Montreal Exchange and The Toronto Stock Exchange or any successor facilities and the Auction Manager are open for business;
- (m) "Current Dividend Rate" shall be the rate per annum which has been determined in accordance with section 5.4(b) of this Part V for the next succeeding Auction Dividend Period;
- (n) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part V that has entered into a Dealer Agreement with the Auction Manager that remains effective;
- (o) "Dealer Agreement" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part V;
- (p) "Existing Holder" shall mean a holder of Second Preferred Shares Series T who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) is registered in the ledger maintained by the Auction Manager in respect of holders of Second Preferred Shares Series T;
- (q) "held by" with respect to any Second Preferred Shares Series T registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder;
- (r) "Hold Order" and "Hold Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (s) "Maximum Rate" with respect to any Auction Dividend Period shall mean 0.40% plus the Bankers' Acceptance Rate determined on the Auction Date immediately preceding such Auction Dividend Period;
- (t) "Order" and "Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (u) "Potential Holder" shall mean any person, including any Existing Holder, who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) may be interested in acquiring Second Preferred Shares Series T (or, in the case of an Existing Holder, additional Second Preferred Shares Series T);
- (v) "Purchaser's Letter" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part V in the event such person participates in an Auction;
- (w) "Remaining Shares" shall have the meaning specified in paragraph (iv) of section 5.5(a) of this Part V;
- (x) "Sell Order" and "Sell Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (y) "Settlement Date" shall mean the Business Day immediately following the Auction Date;
- (z) "Submission Deadline" shall mean 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;
- (aa) "Submitted Bid" and "Submitted Bids" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (bb) "Submitted Hold Order" and "Submitted Hold Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (cc) "Submitted Order" and "Submitted Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (dd) "Submitted Sell Order" and "Submitted Sell Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;

- (ee) "Sufficient Clearing Bids" shall have the meaning specified in section 5.4(a) of this Part V; and
- (ff) "Winning Bid Rate" shall be the rate per annum determined in accordance with section 5.4(a) of this Part .

Terms defined in Part II, Part III or Part IV hereof and used but not defined in this Part V have the meanings ascribed to them in Part II, Part III or Part IV, as the case may be.

## 5.2 Orders by Existing Holders and Potential Holders

- (a) Prior to the Submission Deadline on each Auction Date:
    - (i) each Existing Holder may submit to a Dealer information as to the number of Second Preferred Shares Series T, if any, held by such Existing Holder which such Existing Holder
      - (A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period; and/or
      - (B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Existing Holder; and/or
      - (C) offers to sell without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period;
- and
- (ii) Potential Holders may submit to a Dealer offers to purchase Second Preferred Shares Series T, provided that any such offer shall be effective only if the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section 5.2(a) is an "Order" and collectively are "Orders"; each Existing Holder and each Potential Holder placing an Order is a "Bidder" and collectively are "Bidders"; an Order containing the information referred to in subparagraph (i)(A) of this section 5.2(a) is a "Hold Order" and collectively are "Hold Orders"; an Order containing the information referred to in subparagraph (i)(B) or paragraph (ii) of this section 5.2(a) is a "Bid" and collectively are "Bids"; and an Order containing the information referred to in subparagraph (i)(C) of this section 5.2(a) is a "Sell Order" and collectively are "Sell Orders".

- (b) A Bid by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series T
  - (i) the number of Second Preferred Shares Series T specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the specified rate; or
  - (ii) the specified number of Second Preferred Shares Series T or a lesser number to be determined as set forth in paragraph (iv) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (iii) the number of Second Preferred Shares Series T specified in such Bid if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or
  - (iv) a lesser number of Second Preferred Shares Series T to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.
- (c) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series T
  - (i) the number of Second Preferred Shares Series T specified in such Sell Order; or
  - (ii) a lesser number of Second Preferred Shares Series T to be determined as set forth in paragraph

(iii) of section 5.5(b) of this Part V if Sufficient Clearing Bids do not exist.

(d) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase at a price of \$25.00 per Second Preferred Share Series T

(i) the number of Second Preferred Shares Series T specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the specified rate; or

(ii) the specified number or a lesser number of Second Preferred Shares Series T to be determined as set forth in paragraph (v) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or

(iii) the specified number of Second Preferred Shares Series T if the specified rate is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.

(e) If none of the holders of Second Preferred Shares Series T is an Existing Holder on any date which would be an Auction Date, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on such date.

### 5.3 Submission of Orders by Dealers to the Auction Manager

(a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order

(i) the name of the Bidder placing such Order;

(ii) the aggregate number of Second Preferred Shares Series T that are the subject of the Order;

(iii) to the extent that the Bidder is an Existing Holder, the number of Second Preferred Shares Series T, if any, subject to any

(A) Hold Order placed by such Existing Holder;

(B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or

(C) Sell Order placed by such Existing Holder; and

(iv) to the extent that the Bidder is a Potential Holder, the dividend rate per annum specified in the Bid of such Potential Holder.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001%).

(c) If for any reason an Order or Orders covering in the aggregate all the Second Preferred Shares Series T held by an Existing Holder are not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Second Preferred Shares Series T held by such Existing Holder and not subject to Orders submitted to the Auction Manager.

(d) If one or more Orders covering in the aggregate more than the number of Second Preferred Shares Series T held by an Existing Holder are submitted to the Auction Manager, such Orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Second Preferred Shares Series T held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Second Preferred Shares Series T subject to such Hold Orders exceeds the number of Second Preferred Shares Series T held by such Existing Holder, the number of Second Preferred Shares Series T subject to each such Hold Order

shall be reduced pro rata to cover the number of Second Preferred Shares Series T held by such Existing Holder;

(ii) (A) any Bid shall be considered valid up to and including the excess of the number of Second Preferred Shares Series T held by such Existing Holder over the number of Second Preferred Shares Series T subject to any Hold Order referred to in paragraph (i) of this section 5.3(d);

(B) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Second Preferred Shares Series T subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Second Preferred Shares Series T subject to each Bid with the same rate shall be reduced pro rata to cover the number of Second Preferred Shares Series T equal to such excess;

(C) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and

(D) in any such event, the number, if any, of such Second Preferred Shares Series T subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Second Preferred Shares Series T held by such Existing Holder over the sum of the Second Preferred Shares Series T subject to Hold Orders referred to in paragraph (i) of this section 5.3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this section 5.3(d).

(e) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate therein specified.

#### 5.4 Determination of Sufficient Clearing Bids, Winning Bid Rate and Current Dividend Rate

(a) On the Submission Deadline on each Auction Date, the Auction Manager shall assemble all Orders submitted or deemed submitted to it by the Dealers (each such Order as submitted or deemed submitted by a Dealer being individually a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or a "Submitted Order", and collectively "Submitted Hold Orders", "Submitted Bids" or "Submitted Sell Orders", as the case may be, or "Submitted Orders") and shall determine

(i) the excess of (A) the total number of Second Preferred Shares Series T issued and outstanding over (B) the number of Second Preferred Shares Series T that are the subject of Submitted Hold Orders (such excess being the "Available Shares");

(ii) from the Submitted Orders, whether

(A) the number of Second Preferred Shares Series T that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate

exceeds or is equal to the sum of

(B) (I) the number of Second Preferred Shares Series T that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate, and

(II) the number of Second Preferred Shares Series T that are the subject of Submitted Sell Orders;

and if such excess or equality exists (other than because all of the Second Preferred Shares Series T are the subject of Submitted Hold Orders), then such Submitted Bids in subparagraph (A) hereof shall be "Sufficient Clearing Bids"; and

(iii) if sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids which if the Auction Manager accepted

- (A) (I) each Submitted Bid from Existing Holders specifying that lowest rate, and
- (II) all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Second Preferred Shares Series T that are the subject of those Submitted Bids, and
- (B) (I) each Submitted Bid from Potential Holders specifying such rate, and
- (II) all other Submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Second Preferred Shares Series T that are the subject of those Submitted Bids,

would result in such Existing Holders described in subparagraph (A) hereof continuing to hold an aggregate number of Second Preferred Shares Series T which, when added to the aggregate number of Second Preferred Shares Series T to be purchased by such Potential Holders described in subparagraph (B) hereof, would equal not less than the number of Available Shares (such lowest rate being the "Winning Bid Rate").

(b) Promptly after the Auction Manager has made the determinations pursuant to section 5.4(a) of this Part V, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Second Preferred Shares Series T for the next succeeding Auction Dividend Period (the "Current Dividend Rate") as follows:

- (i) if Sufficient Clearing Bids exist, the Current Dividend Rate for the next Succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;
- (ii) if Sufficient Clearing Bids do not exist (other than because all of the Second Preferred Shares Series T are the subject of Submitted Hold Orders), then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or
- (iii) if all of the Second Preferred Shares Series T are the subject of Submitted Hold Orders, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

#### 5.5 Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section 5.4(a) of this Part V, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:

- (a) If Sufficient Clearing Bids have been made, subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:
  - (i) the Submitted Sell Order of each Existing Holder shall be accepted and the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Second Preferred Shares Series T that are the subject of such Submitted Sell Order and such Submitted Bid;
  - (ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold Second Preferred Shares Series T that are the subject of such Submitted Bid;
  - (iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Second Preferred Shares Series T that are the subject of such Submitted Bid;
  - (iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate

shall be accepted, thus entitling each such Existing Holder to continue to hold the Second Preferred Shares Series T that are the subject of such Submitted Bid, unless the number of Second Preferred Shares Series T subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Second Preferred Shares Series T subject to Submitted Bids described in paragraphs (ii) and (iii) of this section 5.5(a) (the "Remaining Shares"). In this event, the Submitted Bids of each Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Second Preferred Shares Series T, but only in an amount equal to the difference between (A) the number of Second Preferred Shares Series T then held by such Existing Holder subject to such Submitted Bid and (B) the number of Second Preferred Shares Series T obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series T held by such Existing Holder subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series T subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the number of Second Preferred Shares Series T obtained by multiplying (x) the difference between the total number of Available Shares and the number of Second Preferred Shares Series T subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this section 5.5(a) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series T subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series T subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

(b) If Sufficient Clearing Bids have not been made (other than because all of the Second Preferred Shares Series T are subject to Submitted Hold Orders), subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Second Preferred Shares Series T that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Second Preferred Share Series T that are the subject of such Submitted Bid; and

(iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Second Preferred Shares Series T then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Second Preferred Shares Series T obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Second Preferred Shares Series T subject to Submitted Bids described in paragraphs (i) and (ii) of this section 5.5(b) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series T held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order, and the denominator of which shall be the number of Second Preferred Shares Series T subject to all such Submitted Bids and Submitted Sell Orders;

(c) If, as a result of the procedures described in sections 5.5(a) or 5.5(b) of this Part V, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Second Preferred Share Series T on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Second Preferred Shares Series T to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be a whole number of Second Preferred Shares Series T;

(d) If, as a result of the procedures described in section 5.5(a) of this Part V, any Potential Holder would be entitled or required to purchase a fraction of a Second Preferred Share Series T on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole numbers of Second Preferred Shares Series T are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Second Preferred Shares Series T on such Auction Date; and

(e) Based on the result of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Second Preferred Shares Series T an Existing Holder or Existing Holders shall sell Second Preferred Shares Series T being sold by such Existing Holder or Existing Holders. Such purchases and sales of Second Preferred Shares Series T shall be completed on the Settlement Date by payment by each Potential Holder purchasing Second Preferred Shares Series T of the aggregate purchase price of the Second Preferred Shares Series T to be purchased equal to \$25.00 per Second Preferred Share Series T against delivery by each Existing Holder selling Second Preferred Shares Series T of the number of Second Preferred Shares Series T being sold.

#### 5.6 Miscellaneous

Notwithstanding the provisions of this Part V, the Auction Manager shall not follow the Auction Procedures herein on the Auction Date immediately preceding (i) the Redemption Date in the event that written notice of redemption of all the outstanding Second Preferred Shares Series T has been given pursuant to the provisions of section 1.6 of Part I hereof, or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part V, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series T upon request) shall be conclusive.

Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series T upon request) shall be conclusive.

#### III-U Series Second Preferred Shares, Series U

800,000 of the Series Second Preferred Shares are designated Perpetual Cumulative Second Preferred Shares Series U (the "Second Preferred Shares Series U"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series U shall be as follows:

#### PART I

##### 1.1 Definitions

All defined terms used in Part I hereof and not defined therein are defined and have the meanings ascribed to them in section 2.1 of Part II hereof.

##### 1.2 Payment of Dividends

(a) Subject to section 1.2(e) hereof, during the Initial Five Year Term, the holders of the Second Preferred Shares Series U shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends in an amount determined in accordance with section 1.3(a) hereof, payable in equal quarterly installments on the Dividend Payment Dates in each year, subject to section 4.2(e) of Part IV hereof.

(b) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Corporation Determined Term, the holders of the Second Preferred Shares Series U shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(b) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(c) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Dealer Determined Term, the holders of the Second Preferred Shares Series U shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(c) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment

Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period falling within an Auction Term, the holders of the Second Preferred Shares Series U as they appear on the securities register of the Corporation on the Auction Date within such Auction Dividend Period shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(d) hereof, payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.

(e) The initial dividend on the Second Preferred Shares Series U shall accrue from and include the original date of issue of the Second Preferred Shares Series U, shall be payable on March 2, 1997, and shall be in an amount determined in accordance with section 1.3(a) hereof.

(f) Cheques of the Corporation payable in lawful money of Canada, rounded to the nearest whole cent (\$0.01), shall be issued in respect of dividends on the Second Preferred Shares Series U (less any tax required to be deducted and withheld by the Corporation). The mailing by ordinary unregistered first class prepaid mail of such a cheque to a registered holder of Second Preferred Shares Series U to the address of such registered holder as it appears on the securities register of the Corporation, or if the address of any such holder does not appear, then to the last known address of such holder, on or before the fifth Business Day next preceding the applicable Dividend Payment Date or the delivery by the Corporation or the Auction Manager of such cheque on or before the Auction Dividend Payment Date, as the case may be, shall be deemed to be payment and shall satisfy and discharge all liabilities for dividends payable on such Dividend Payment Date or Auction Dividend Payment Date to the extent of the amount represented thereby (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not paid on due presentation.

### 1.3 Amount of Dividends

(a) The dividend to be paid on each Second Preferred Share Series U during the Initial Five Year Term shall be the amount of \$1.1575 per annum payable in equal quarterly installments of \$0.289375 on each Dividend Payment Date except the first dividend which shall be payable on March 2, 1997, and shall be in the amount of \$0.289375 multiplied by a fraction, the numerator of which is the number of days from and including the original date of issue of the Second Preferred Shares Series U to but excluding the first Dividend Payment Date, and the denominator of which is 90.

(b) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Second Preferred Share Series U on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.

(c) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Second Preferred Share Series U on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Second Preferred Share Series U on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:

(i) on the first Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Second Preferred Share Series U shall be the amount which is the product of (1) \$25.00, (2) 75% of the Bankers' Acceptance Rate (as defined in Part V hereof) where the Bankers' Acceptance Rate is determined on the first Business Day of such Auction, Dividend Period, and (3) the number of days in the first Auction Dividend Period, all divided by 365; and

(ii) on the second and subsequent Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Second Preferred Share Series U shall be the amount which is the product of (1) \$25.00, (2) the Current Dividend Rate (or such other rate per annum as may apply in accordance with Part V hereof) for



each such Auction Dividend Period, determined on the Auction Date immediately prior to the beginning of such Auction Dividend Period, and (3) the number of days in such Auction Dividend Period, all divided by 365.

(e) After expiry of the Initial Five Year Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Second Preferred Share Series U on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) \$25.00, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, and (3) the number of days in such Dividend Period, all divided by 365.

#### 1.4 Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Second Preferred Shares Series U then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors of the Corporation on which dividends are otherwise payable hereunder and on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Second Preferred Shares Series U shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

#### 1.5 Redemption

The Second Preferred Shares Series U will not be redeemable on or before the date that is the fifth anniversary of the original date of issue of the Second Preferred Shares Series U. Subject to section 1.8 hereof, the Corporation may, upon giving notice as hereinafter provided, redeem at any time after the fifth anniversary of the original date of issue all or from time to time any of the then outstanding Second Preferred Shares Series U on payment for each share to be redeemed of an amount equal to \$25.00 together with an amount equal to all accrued and unpaid dividends thereon, whether or not declared, calculated to but excluding the Redemption Date (as hereinafter defined). Such amount is herein referred to as the "Redemption Price". If less than all of the then outstanding Second Preferred Shares Series U are to be redeemed, the Second Preferred Shares Series U to be redeemed shall be redeemed as nearly as may be pro rata from each of the holders of Second Preferred Shares Series U. Any Second Preferred Share Series U which is so redeemed shall be cancelled and not reissued.

#### 1.6 Redemption Procedure

(a) The Corporation shall, at least thirty (30) days before the date specified for redemption of Second Preferred Shares Series U, mail or deliver to each person who at the date of mailing is a registered holder of Second Preferred Shares Series U to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series U. Notwithstanding the foregoing, if the Corporation gives notice of its intention to redeem Second Preferred Shares Series U on a Redemption Date (as hereinafter defined) which is during an Auction Term, such notice shall be given not less than 12 days prior to the date on which the redemption is to take place, which date, in such event, must be an Auction Dividend Payment Date.

(b) Such notice shall set out the Redemption Price and the date ("Redemption Date") on which redemption is to take place and, if part only of the Second Preferred Shares Series U held by the person to whom such notice is addressed is to be redeemed, the number thereof so to be redeemed. The Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series U to be redeemed the Redemption Price therefor on presentation and surrender, at the place designated in such notice, of the certificates representing the Second Preferred Shares Series U so called for redemption. Such payment shall be made by cheque of the Corporation and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Second Preferred Shares Series U so called for redemption to the extent of the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. If part only of the Second Preferred Shares Series U represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the Redemption Date, the Second Preferred Shares Series U called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after giving notice of its intention to redeem Second Preferred Shares Series U as aforesaid, to deposit the Redemption Price for the Second Preferred

Shares Series U so called for redemption (or such of the said shares as may be represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption) in a special account in any chartered bank or any trust company in Canada named in such notice or in any subsequent notice to the holders of the shares in respect of which the deposit is made, provided that the amount deposited in such an account shall be paid to the holders of such shares upon presentation and surrender to such bank or trust company of the certificates representing such shares. The Redemption Price so deposited shall be paid on or after the Redemption Date without interest to or to the order of the respective holders of such Second Preferred Shares Series U called for redemption. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Second Preferred Shares Series U in respect of which such deposit shall have been made shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving, without interest, the Redemption Price of such Second Preferred Shares Series U so called for redemption (less any tax required to be and in fact deducted or withheld therefrom) upon presentation and surrender of the certificates representing the holder's shares so redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

(c) Redemption moneys that are represented by a cheque which was mailed to a registered holder in accordance with this section 1.6 and which has not been duly presented for payment within, or that otherwise remain unclaimed (including moneys held on deposit as aforesaid) for, a period of 5 years from the Redemption Date shall be forfeited to the Corporation.

#### 1.7 Purchase for Cancellation

Subject to section 1.8 hereof, the Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Second Preferred Shares Series U outstanding from time to time at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable, but not exceeding \$25.00 per share plus all accrued and unpaid dividends and costs of purchase.

#### 1.8 Restriction on Dividends and Retirement of Shares

So long as any of the Second Preferred Shares Series U are outstanding, the Corporation shall not:

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series U) on the Class A non-voting shares or Class B common shares of the Corporation or any other shares of the Corporation ranking junior to the Second Preferred Shares Series U with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series U with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date or Auction Dividend Payment Date, as the case may be, on the Second Preferred Shares Series U and the dividend payable on the last preceding respective dividend payment dates on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series U with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subsections (a) and (b) of this section 1.8.

#### 1.9 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series U shall be entitled to receive in lawful money of Canada \$25.00 per share together with an amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to but excluding the date of payment or distribution, the whole to be paid before any amount is paid or any property or assets of the Corporation are distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or any other shares ranking junior to the Second Preferred Shares Series U. Upon payment to the holders of record of the Second Preferred Shares Series U of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

PART II

2.1 Interpretation and Application of Part I, Part III, Part IV and Part V

(a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following terms have the following meanings:

- (i) "Auction Dividend Payment Date" shall have the meaning ascribed to that term in Part V hereof;
- (ii) "Auction Dividend Period" shall have the meaning ascribed to that term in Part V hereof;
- (iii) "Auction Procedures" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Second Preferred Shares Series U from time to time during an Auction Term;
- (iv) "Auction Term", "Auction Date" and "Auction Manager" shall have the respective meanings ascribed to those terms in Part V hereof;
- (v) "Business Day" shall have the meaning ascribed to that term in Part V hereof;
- (vi) "Corporation Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part III hereof;
- (vii) "Corporation Determined Term" shall have the meaning ascribed to that term in Part III hereof;
- (viii) "Current Dividend Rate" shall have the meaning ascribed to that term in Part V hereof;
- (ix) "Dealer Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (x) "Dealer Determined Term" shall have the meaning ascribed to that term in Part IV hereof;
- (xi) "Dividend Payment Dates" shall mean the second day of each of the months of March, June, September and December;
- (xii) "Dividend Period" shall mean the period from and including the original date of issue of the Second Preferred Shares Series U to but excluding the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date except for the first Dividend Period following an Auction Term in which case "Dividend Period" shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;
- (xiii) "Initial Five Year Term" shall mean the five year period commencing on the original date of issue of the Second Preferred Shares Series U and ending on the date that is the fifth anniversary of the original date of issue or, if such date is not a Dividend Payment Date, on the first Dividend Payment Date after the fifth anniversary of the original date of issue;
- (xiv) the use of the terms "ranking in priority to" or "ranking on a parity with" or "ranking junior to" or similar terms, whether used independently or in combination, mean and refer to the ranking of shares of different classes or series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and
- (xv) "Settlement Date" shall have the meaning ascribed to that term in Part V hereof.

Terms defined in Part III, Part IV or Part V hereof and used but not defined in this Part II have the meanings ascribed to them in Part III, Part IV or Part V, as the case may be.

(b) In the event that any date on which any dividend on the Second Preferred Shares Series U is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

(c) In the event of the non-receipt of a cheque by a holder of Second Preferred Shares Series U entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

(d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be used by the Corporation, at the earliest, in the period between 45 days and 60 days prior to the expiry of the Initial Five Year Term, and thereafter may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not less than 45 days and not more than 60 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not less than 20 days and not more than 25 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(e) The provisions of Part IV hereof with respect to solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be used by the Corporation, at the earliest, 30 days prior to the expiry of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not more than 30 days and not less than 25 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not more than 13 days and not less than 10 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(f) The provisions of Part V hereof shall apply from and after the end of the Initial Five Year Term and from and after the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time the provisions of Part III or Part IV hereof are fully implemented in accordance with the terms of those Parts.

(g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "accrued and unpaid dividends" means the aggregate of (i) all unpaid dividends on the Second Preferred Shares Series U in respect of any Dividend Payment Date for any completed Dividend Period and Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Second Preferred Share Series U had been accruing on a day to day basis in a manner consistent with section 1.3 of Part I hereof from the date of the most recently completed Dividend Period or Auction Dividend Period to but excluding the date on which the computation of accrued dividends is to be made, provided that, for the purposes of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Second Preferred Shares Series U has been given pursuant to the provisions of section 1.6 of Part I hereof or (y) the relevant date for the purposes of section 1.9 of Part I hereof, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term, shall be for the period of 90 days ending on a day not more than 7 days prior to the date the written notice of redemption is given pursuant to the provisions of section 1.6 or ending on the relevant date for the purposes of section 1.9, as the case may be.

## 2.2 Notices

(a) Any notice or other communication from the Corporation provided for herein, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail to the holders of the Second Preferred Shares Series U at their respective addresses appearing on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. In addition, any notice or other communication from the Corporation during an Auction Term or a notice of the Corporation's intention to redeem Second Preferred Shares Series U on a day which is during an Auction Term shall also be given by telex, telecopier or telegraph communication. Accidental failure to give any notice or other communication to one or more holders of the Second Preferred Shares Series U shall not affect the validity of the notice or other communication properly given or any action, including the redemption of all or any part of the Second Preferred Shares Series U, taken

pursuant to such properly given notice or other communication, but upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.

(b) If the Corporation 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 the holder of any Second Preferred Shares Series U, whether in connection with the redemption of such shares or otherwise, the Corporation, notwithstanding the provisions hereof, may

(i) give such notice by telex, telecopier or telegraph communication or by means of publication once in each of two successive weeks in newspapers of general circulation published or distributed in Edmonton and Toronto, and such notice shall be deemed to have been given on the date on which such telex, telecopier or telegraph communication was given or on the date on which the first publication has taken place; and

(ii) fulfill the requirement to send such cheque or such share certificate by arranging for delivery thereof to the holder at such holder's address appearing on the securities register, or in the event of the address of such holder not so appearing, then at the last address of such holder known to the Corporation.

### 2.3 Voting Rights

In connection with any action to be taken by the Corporation which requires the approval of the holders of the Second Preferred Shares Series U as a series or of the holders of Series Second Preferred Shares as a class, each Second Preferred Share Series U shall entitle the holder thereof to one (1) vote for such purpose.

### 2.4 Modification

The provisions attached to the Second Preferred Shares Series U may be repealed, altered, modified or amended from time to time with such approvals as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with section 2.5 of this Part II.

### 2.5 Approval of Holders of Second Preferred Shares Series U

Any approval given by the holders of Second Preferred Shares Series U shall be deemed to have been sufficiently given if it shall have been given by the holders of Second Preferred Shares Series U as provided in the provisions attaching to the Series Second Preferred Shares as a class, which provisions shall apply mutatis mutandis.

### 2.6 Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series U will be required to pay tax on dividends received on the Second Preferred Shares Series U under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## PART III

### INVESTOR NEGOTIATION PROCEDURE

#### 3.1 Definitions

For the purposes of Part III hereof, the following terms have the following meanings:

- (a) "Average Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (b) "Average Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part III references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to

the relevant date for determining the Corporation Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;

(d) "Banks" shall have the meaning ascribed to that term in Part IV hereof;

(e) "Corporation Determined Percentage" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section 3.2 of this Part III;

(f) "Corporation Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the Corporation in its notice pursuant to section 3.2 of this Part III, which shall be one of

(i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(g) "Corporation Determined Term" shall mean a term, selected by the Corporation, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series U, and terminating on the last day of the last Dividend Period selected by the Corporation, to which term the provisions of this Part III shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto have been approved by the holders of the Second Preferred Shares Series U in accordance with section 3.3 of this Part III; and

(h) "Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof.

Terms defined in Part II, Part IV or Part V hereof and used but not defined in this Part III have the meanings ascribed to them in Part II, Part IV or Part V, as the case may be.

### 3.2 Determination of New Dividend Rate

At least 45 days and not more than 60 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 20 days and not more than 25 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may notify the holders of Second Preferred Shares Series U of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term. Such notification to such holders shall also

(a) specify a date by which each holder must notify the Corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term, if such holder intends to accept such terms, which date shall be at least 35 days prior to the end of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the relevant Auction Dividend Period, as the case may be, and

(b) specify that the proposed Corporation Determined Quarterly Dividend Rate and proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Second Preferred Shares Series U accept such terms.

### 3.3 Acceptance of Corporation Determined Quarterly Dividend Rate

If,

(a) by the time prescribed in section 3.2(a) of this Part III, all of the holders of Second Preferred Shares Series U have accepted the Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term as evidenced by notice in writing to the Corporation, and

(b) at least 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 12 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such terms,

then such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid to the holders of Second Preferred Shares Series U, from time to time, on each of the Second Preferred Shares Series U on each Dividend Payment Date for Dividend Periods during such Corporation Determined Term.

### 3.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part III, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series U upon request) shall be conclusive.

## PART IV

### DEALER BID PROCEDURES

#### 4.1 Definitions

For the purposes of Part IV hereof, the following terms have the following meanings:

(a) "Accepted Dealer Offer" shall have the meaning ascribed to that term in section 4.2(c) of this Part IV;

(b) "Average Daily Prime Rate" shall mean, for any day, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one or more of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other one Bank or the average of the Daily Prime Rates of the other Banks, as the case may be, and further provided that if on such day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.5% above the average yield per annum on 91-day Government of Canada Treasury Bills as reported by the Bank of Canada for the most recent weekly tender preceding such day;

(c) "Average Prime Rate" shall mean, for any period consisting of one or more days, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Average Daily Prime Rate for each day during such period;

(d) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part IV references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to the relevant date for determining the Dealer Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;

(e) "Banks" shall mean The Royal Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and The Bank of Nova Scotia and the term "Bank" shall mean one of the Banks, and for the purposes of this definition "Banks" shall include any bank with which one or more of such Banks may merge

and any bank which may become a successor to the business of one of such Banks;

(f) "Daily Prime Rate" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such Bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;

(g) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part IV;

(h) "Dealer Determined Percentage" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section 4.2(b) of this Part IV;

(i) "Dealer Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by a Dealer in an Accepted Dealer Offer which shall be one of

(i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(j) "Dealer Determined Term" shall mean a term, selected by a Dealer, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series U, and terminating on the last day of the last Dividend Period selected by such Dealer, to which term the provisions of this Part IV shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term;

(k) "Dealer Offer" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Second Preferred Shares Series U on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, at a purchase price per Second Preferred Share Series U equal to \$25.00 and containing the information specified in section 4.2(b) of this Part IV;

(l) "Dealer Response Date" shall have the meaning ascribed to that term in section 4.2(a) of this Part IV;

(m) "Notice Requesting Bids" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section 4.2(a) of this Part IV; and

(n) "Notification to Holders" shall mean the notification from the Corporation to holders of Second Preferred Shares Series U of the acceptance of a Dealer Offer as provided for in section 4.2(d) and, if applicable, section 4.2(e) of this Part IV.

Terms defined in Part II, Part III or Part V hereof and used but not defined in this Part IV have the meanings ascribed to them in Part II, Part III or Part V, as the case may be.

#### 4.2 Bids by Dealers

(a) At least 25 days and not more than 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 10 days and not more than 13 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Second Preferred Shares Series U. Such solicitation shall be contained in a notice ("Notice Requesting Bids") to be sent by the Corporation to such Dealers which notice shall



- (i) invite each Dealer to submit to the Corporation a Dealer Offer; and
  - (ii) specify a date, which shall be not more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall be not more than 5 days after the giving of such notice, by which any such offer must be received by the Corporation (the "Dealer Response Date").
- (b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies
- (i) a Dealer Determined Quarterly Dividend Rate (and, in connection therewith, unless a fixed rate is specified, the Dealer Determined Percentage of the Average Prime Rate or the Dealer Determined Percentage of the Bankers' Acceptance Rate, as the case may be);
  - (ii) a Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(b) will apply, and
  - (iii) the amount of any fee to be paid by the Corporation to the Dealer in connection with the purchase of Second Preferred Shares Series U pursuant to the Dealer Offer.
- (c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before the fifteenth day prior to expiry of the Initial Five Year Period or the then current Corporation Determined Term or Dealer Determined Term or on or before the fifth day prior to the end of the relevant Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts ("Accepted Dealer Offer"). The Dealer whose Dealer Offer is accepted will be required to purchase all of the Second Preferred Shares Series U not retained by the existing holders on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, on the terms and subject to the conditions contained in the Accepted Dealer Offer.
- (d) Concurrently with its acceptance of a Dealer Offer, and in any event not later than 15 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or not later than 5 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation shall notify ("Notification to Holders") each existing holder of Second Preferred Shares Series U that the Corporation has accepted a Dealer Offer. Such notification shall
- (i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Second Preferred Shares Series U;
  - (ii) specify the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(d) will apply;
  - (iii) notify such holders of the right of each holder either to sell all or some of the Second Preferred Shares Series U it holds to such Dealer or to continue to hold all or some of the Second Preferred Shares Series U it then holds;
  - (iv) notify such holders of the date (which shall be on or before the sixth day prior to the expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or on or before the second day prior to the expiry of the relevant Auction Dividend Period, as the case may be) by which each holder must notify in writing the Corporation and the Dealer whose Dealer Offer has been accepted of its decision to sell some or all of the Second Preferred Shares Series U it holds as provided for in section 4.2(f) of this Part IV, and
  - (v) identify the Dealer whose Dealer Offer has been accepted.
- (e) If a notification to Holders is given during the Initial Five Year Term, a Corporation Determined Term, or a Dealer Determined Term, the dividend for the then current Dividend Period will be payable on the first business day following the Dividend Payment Date for such Dividend Period, and the Notification to Holder shall so state.
- (f) Upon receipt of the Notification to Holders, an existing holder of Second Preferred Shares Series U may elect to sell Second Preferred Shares Series U in accordance with the terms specified in such Notification to Holders

by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Second Preferred Shares Series U who elects to sell all or a part of its holdings of Second Preferred Shares Series U shall, together with such notice, deposit the certificate or certificates representing Second Preferred Shares Series U which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Second Preferred Shares Series U may be transferred or at any other place or places in Canada specified by the Corporation to holders of the Second Preferred Shares Series U in the Notification to Holders. If a holder of Second Preferred Shares Series U wishes to sell only some of the Second Preferred Shares Series U represented by any share certificate or certificates, the holder may deposit the certificate or certificates with the Corporation, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Second Preferred Shares Series U which are not being delivered for sale. Any holder of Second Preferred Shares Series U that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Second Preferred Shares Series U then held by it subject to the terms and conditions as to the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Second Preferred Shares Series U pursuant to the provisions of this Part IV and shall also bind the Dealer in question.

(g) At least one Business Day before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section 4.2(f) of this Part IV and of the identity of the vendor or vendors thereof.

(h) On the day of expiry of the Initial Five Year Term, the Corporation Determined Term or the Dealer Determined Term or on the Settlement Date immediately following the expiry of the relevant Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer will purchase the Second Preferred Shares Series U from the holders specified in section 4.2(g) of this Part IV, at the purchase price as set out in section 4.1(k) of this Part IV. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer shall deposit with the Corporation at its registered office, prior to noon, Edmonton time, on such date, a certified cheque payable to the Corporation, as agent for the vendors referred to in section 4.2(g) of this Part IV, representing the aggregate purchase price of the Second Preferred Shares Series U to be purchased pursuant to this section 4.2(h) together with a direction as to registration particulars with respect to such Second Preferred Shares Series U to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendors at the registered office of the Corporation cheques payable to the vendors in payment of the purchase price for such Second Preferred Shares Series U.

#### 4.3 Termination of Application

Notwithstanding the acceptance of a Dealer Offer as provided for in this Part IV, the Corporation may notify the holders that the Corporation does not intend to proceed to implement application of the Dealer Determined Quarterly Dividend Rate and Dealer Determined Term as set forth in the Notification to Holders provided that such notification is given by the Corporation to existing holders on or before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be. In such circumstances, the provisions of Part V hereof shall be applied in accordance with such Part and, for greater certainty, the Dealer whose Dealer Offer has been accepted shall not be obliged to purchase any Second Preferred Shares Series U pursuant to such Dealer Offer. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry of any subsequent Corporation Determined Term Dealer Determined Term or Auction Dividend Period, as the case may be, to implement the provisions of this Part IV by forwarding a Notice Requesting Bids to one or more Dealers.

#### 4.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part IV, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the

Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series U upon request) shall be conclusive.

## PART V

### AUCTION PROCEDURES

#### 5.1 Definitions

For the purposes of Part V hereof, the following terms have the following meanings:

- (a) "Auction" shall mean the periodic operation of the procedures set forth in this Part V;
- (b) "Auction Date" shall mean the fourth Tuesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Tuesday is not a Business Day, the next preceding Business Day;
- (c) "Auction Dividend Payment Date" shall mean the Business Day immediately following the Settlement Date;
- (d) "Auction Dividend Period" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the last Dividend Payment Date of the Initial Five Year Term or of the Corporation Determined Term or Dealer Determined Term immediately preceding such Auction Term, as the case may be, to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date;
- (e) "Auction Manager" shall mean the Corporation or any trust company or any successor thereto duly appointed or to be appointed by the Corporation as Auction Manager in respect of the Second Preferred Shares Series U and entering into an Auction Manager Agreement with the Corporation;
- (f) "Auction Manager Agreement" shall mean an agreement made between the Auction Manager, if other than the Corporation, and the Corporation which provides, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Second Preferred Shares Series U;
- (g) "Auction Term" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures in this Part V apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;
- (h) "Available Shares" shall have the meaning specified in paragraph (i) of section 5.4(a) of this Part V;
- (i) "Bankers' Acceptance Rate" shall mean, with respect to any Auction Dividend Period, the rate per annum equal to
  - (i) the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the rates per annum quoted by RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) where such rates per annum, quoted by such dealers, are equal to the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on the Auction Date next preceding such Auction Dividend Period, on 30-day bankers' acceptances accepted by such of the Banks as are accepting 30-day bankers' acceptances on such Auction Date;
  - (ii) in the event one of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) is unable to or does not for any reason quote the bid and ask rates per annum referred to in paragraph (i) of this section 5.1(i) as at 10:00 a.m., Toronto time, on such Auction Date, such rate shall be the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates per annum on such date quoted by the other one; or

- (iii) in the event both RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Toronto time, on such Auction Date (including, without limitation, where none of the Banks is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (i) or (ii) above, such rate shall be 0.2% plus the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields (to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on such Auction Date, on Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date;
- (j) "Bid" and "Bids" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (k) "Bidder" and "Bidders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (l) "Business Day" shall mean a day on which both the Montreal Exchange and The Toronto Stock Exchange or any successor facilities and the Auction Manager are open for business;
- (m) "Current Dividend Rate" shall be the rate per annum which has been determined in accordance with section 5.4(b) of this Part V for the next succeeding Auction Dividend Period;
- (n) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part V that has entered into a Dealer Agreement with the Auction Manager that remains effective;
- (o) "Dealer Agreement" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part V;
- (p) "Existing Holder" shall mean a holder of Second Preferred Shares Series U who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) is registered in the ledger maintained by the Auction Manager in respect of holders of Second Preferred Shares Series U;
- (q) "held by" with respect to any Second Preferred Shares Series U registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder;
- (r) "Hold Order" and "Hold Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (s) "Maximum Rate" with respect to any Auction Dividend Period shall mean 0.40% plus the Bankers' Acceptance Rate determined on the Auction Date immediately preceding such Auction Dividend Period;
- (t) "Order" and "Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (u) "Potential Holder" shall mean any person, including any Existing Holder, who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) may be interested in acquiring Second Preferred Shares Series U (or, in the case of an Existing Holder, additional Second Preferred Shares Series U);
- (v) "Purchaser's Letter" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part V in the event such person participates in an Auction;
- (w) "Remaining Shares" shall have the meaning specified in paragraph (iv) of section 5.5(a) of this Part V;
- (x) "Sell Order" and "Sell Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (y) "Settlement Date" shall mean the Business Day immediately following the Auction Date;

(z) "Submission Deadline" shall mean 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;

(aa) "Submitted Bid" and "Submitted Bids" shall have the respective meanings specified in section 5.4(a) of this Part V;

(bb) "Submitted Hold Order" and "Submitted Hold Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;

(cc) "Submitted Order" and "Submitted Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;

(dd) "Submitted Sell Order" and "Submitted Sell Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;

(ee) "Sufficient Clearing Bids" shall have the meaning specified in section 5.4(a) of this Part V;

(ff) "Winning Bid Rate" shall be the rate per annum determined in accordance with section 5.4(a) of this Part V.

Terms defined in Part II, Part III or Part IV hereof and used but not defined in this Part V have the meanings ascribed to them in Part II, Part III or Part IV, as the case may be.

#### 5.2 Orders by Existing Holders and Potential Holders

(a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Holder may submit to a Dealer information as to the number of Second Preferred Shares Series U, if any, held by such Existing Holder which such Existing Holder

(A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period; and/or

(B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Existing Holder; and/or

(C) offers to sell without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period;

and

(ii) Potential Holders may submit to a Dealer offers to purchase Second Preferred Shares Series U, provided that any such offer shall be effective only if the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section 5.2(a) is an "Order" and collectively are "Orders"; each Existing Holder and each Potential Holder placing an Order is a "Bidder" and collectively are "Bidders"; an Order containing the information referred to in subparagraph (i) (A) of this section 5.2(a) is a "Hold Order" and collectively are "Hold Orders"; an Order containing the information referred to in subparagraph (i) (B) or paragraph (ii) of this section 5.2(a) is a "Bid" and collectively are "Bids"; and an Order containing the information referred to in subparagraph (i)(C) of this section 5.2(a) is a "Sell Order" and collectively are "Sell Orders".

(b) A Bid by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series U

(i) the number of Second Preferred Shares Series U specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the specified rate; or

- (ii) the specified number of Second Preferred Shares Series U or a lesser number to be determined as set forth in paragraph (iv) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (iii) the number of Second Preferred Shares Series U specified in such Bid if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or
  - (iv) a lesser number of Second Preferred Shares Series U to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.
- (c) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series U
- (i) the number of Second Preferred Shares Series U specified in such Sell Order; or
  - (ii) a lesser number of Second Preferred Shares Series U to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if Sufficient Clearing Bids do not exist.
- (d) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase at a price of \$25.00 per Second Preferred Share Series U
- (i) the number of Second Preferred Shares Series U specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the specified rate; or
  - (ii) the specified number or a lesser number of Second Preferred Shares Series U to be determined as set forth in paragraph (v) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (iii) the specified number of Second Preferred Shares Series U if the specified rate is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.
- (e) If none of the holders of Second Preferred Shares Series U is an Existing Holder on any date which would be an Auction Date, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on such date.

### 5.3 Submission of Orders by Dealers to the Auction Manager

- (a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order
- (i) the name of the Bidder placing such Order;
  - (ii) the aggregate number of Second Preferred Shares Series U that are the subject of the Order;
  - (iii) to the extent that the Bidder is an Existing Holder, the number of Second Preferred Shares Series U, if any, subject to any
    - (A) Hold Order placed by such Existing Holder;
    - (B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or
    - (C) Sell Order placed by such Existing Holder; and
  - (iv) to the extent that the Bidder is a Potential Holder, the dividend rate per annum specified in the Bid of such Potential Holder.
- (b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001%).

(c) If for any reason an Order or Orders covering in the aggregate all the Second Preferred Shares Series U held by an Existing Holder are not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Second Preferred Shares Series U held by such Existing Holder and not subject to Orders submitted to the Auction Manager.

(d) If one or more Orders covering in the aggregate more than the number of Second Preferred Shares Series U held by an Existing Holder are submitted to the Auction Manager, such Orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Second Preferred Shares Series U held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Second Preferred Shares Series U subject to such Hold Orders exceeds the number of Second Preferred Shares Series U held by such Existing Holder, the number of Second Preferred Shares Series U subject to each such Hold Order shall be reduced pro rata to cover the number of Second Preferred Shares Series U held by such Existing Holder;

(ii) (A) any Bid shall be considered valid up to and including the excess of the number of Second Preferred Shares Series U held by such Existing Holder over the number of Second Preferred Shares Series U subject to any Hold Order referred to in paragraph (i) of this section 5.3(d);

(B) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Second Preferred Shares Series U subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Second Preferred Shares Series U subject to each Bid with the same rate shall be reduced pro rata to cover the number of Second Preferred Shares Series U equal to such excess;

(C) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and

(D) in any such event, the number, if any, of such Second Preferred Shares Series U subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Second Preferred Shares Series U held by such Existing Holder over the sum of the Second Preferred Shares Series U subject to Hold Orders referred to in paragraph (i) of this section 5.3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this section 5.3(d).

(e) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate therein specified.

#### 5.4 Determination of Sufficient Clearing Bids, Winning Bid Rate and Current Dividend Rate

(a) On the Submission Deadline on each Auction Date, the Auction Manager shall assemble all Orders submitted or deemed submitted to it by the Dealers (each such Order as submitted or deemed submitted by a Dealer being individually a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or a "Submitted Order", and collectively "Submitted Hold Orders", "Submitted Bids" or "Submitted Sell Orders", as the case may be, or "Submitted Orders") and shall determine

(i) the excess of (A) the total number of Second Preferred Shares Series U issued and outstanding over (B) the number of Second Preferred Shares Series U that are the subject of Submitted Hold Orders (such excess being the "Available Shares");

(ii) from the Submitted Orders, whether

(A) the number of Second Preferred Shares Series U that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate

exceeds or is equal to the sum of

(B) (I) the number of Second Preferred Shares Series U that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate, and

(II) the number of Second Preferred Shares Series U that are the subject of Submitted Sell Orders;

and if such excess or equality exists (other than because all of the Second Preferred Shares Series U are the subject of Submitted Hold Orders), then such Submitted Bids in subparagraph (A) hereof shall be "Sufficient Clearing Bids"; and

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids which if the Auction Manager accepted

(A) (I) each Submitted Bid from Existing Holders specifying that lowest rate, and

(II) all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Second Preferred Shares Series U that are the subject of those Submitted Bids, and

(B) (I) each Submitted Bid from Potential Holders specifying such rate, and

(II) all other Submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Second Preferred Shares Series U that are the subject of those Submitted Bids,

would result in such Existing Holders described in subparagraph (A) hereof continuing to hold an aggregate number of Second Preferred Shares Series U which, when added to the aggregate number of Second Preferred Shares Series U to be purchased by such Potential Holders described in subparagraph (B) hereof, would equal not less than the number of Available Shares (such lowest rate being the "Winning Bid Rate").

(b) Promptly after the Auction Manager has made the determinations pursuant to section 5.4(a) of this Part V, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Second Preferred Shares Series U for the next succeeding Auction Dividend Period (the "Current Dividend Rate") as follows:

(i) if Sufficient Clearing Bids exist, the Current Dividend Rate for the next Succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Second Preferred Shares Series U are the subject of Submitted Hold Orders), then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or

(iii) if all of the Second Preferred Shares Series U are the subject of Submitted Hold Orders, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

#### 5.5 Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section 5.4(a) of this Part V, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:



(a) If Sufficient Clearing Bids have been made, subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Sell Order of each Existing Holder shall be accepted and the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Second Preferred Shares Series U that are the subject of such Submitted Sell Order and such Submitted Bid;

(ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold Second Preferred Shares Series U that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Second Preferred Shares Series U that are the subject of such Submitted Bid;

(iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Second Preferred Shares Series U that are the subject of such Submitted Bid, unless the number of Second Preferred Shares Series U subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Second Preferred Shares Series U subject to Submitted Bids described in paragraphs (ii) and (iii) of this section 5.5(a) (the "Remaining Shares"). In this event, the Submitted Bids of each Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Second Preferred Shares Series U, but only in an amount equal to the difference between (A) the number of Second Preferred Shares Series U then held by such Existing Holder subject to such Submitted Bid and (B) the number of Second Preferred Shares Series U obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series U held by such Existing Holder subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series U subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the number of Second Preferred Shares Series U obtained by multiplying (x) the difference between the total number of Available Shares and the number of Second Preferred Shares Series U subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this section 5.5(a) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series U subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series U subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

(b) If Sufficient Clearing Bids have not been made (other than because all of the Second Preferred Shares Series U are subject to Submitted Hold Orders), subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Second Preferred Shares Series U that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Second Preferred Share Series U that are the subject of such Submitted Bid; and

(iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Second Preferred Shares Series U then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Second Preferred Shares Series U obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Second Preferred Shares Series U subject to

Submitted Bids described in paragraphs (i) and (ii) of this section 5.5(b) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series U held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order, and the denominator of which shall be the number of Second Preferred Shares Series U subject to all such Submitted Bids and Submitted Sell Orders;

(c) If, as a result of the procedures described in sections 5.5(a) or 5.5(b) of this Part V, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Second Preferred Share Series U on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Second Preferred Shares Series U to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be a whole number of Second Preferred Shares Series U;

(d) If, as a result of the procedures described in section 5.5(a) of this Part V, any Potential Holder would be entitled or required to purchase a fraction of a Second Preferred Share Series U on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole numbers of Second Preferred Shares Series U are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Second Preferred Shares Series U on such Auction Date; and

(e) Based on the result of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Second Preferred Shares Series U an Existing Holder or Existing Holders shall sell Second Preferred Shares Series U being sold by such Existing Holder or Existing Holders. Such purchases and sales of Second Preferred Shares Series U shall be completed on the Settlement Date by payment by each Potential Holder purchasing Second Preferred Shares Series U of the aggregate purchase price of the Second Preferred Shares Series U to be purchased equal to \$25.00 per Second Preferred Share Series U against delivery by each Existing Holder selling Second Preferred Shares Series U of the number of Second Preferred Shares Series U being sold.

#### 5.6 Miscellaneous

Notwithstanding the provisions of this Part V, the Auction Manager shall not follow the Auction Procedures herein on the Auction Date immediately preceding, (i) the Redemption Date in the event that written notice of redemption of all the outstanding Second Preferred Shares Series U has been given pursuant to the provisions of section 1.6 of Part I hereof, or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part V, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series U upon request) shall be conclusive.

#### III-V Series Second Preferred Shares, Series V

4,400,000 of the Series Second Preferred Shares are designated Perpetual Cumulative Second Preferred Shares Series V (the "Second Preferred Shares Series V"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series V shall be as follows:

#### PART I

##### 1.1 Definitions

All defined terms used in Part I hereof and not defined therein are defined and have the meanings ascribed to them in section 2.1 of Part II hereof.

##### 1.2 Payment of Dividends

(a) Subject to section 1.2(e) hereof, during the Initial Five Year Term, the holders of the Second Preferred Shares Series V shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed

cumulative preferential cash dividends in an amount determined in accordance with section 1.3(a) hereof, payable in equal quarterly installments on the Dividend Payment Dates in each year, subject to section 4.2(e) of Part IV hereof.

(b) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Corporation Determined Term, the holders of the Second Preferred Shares Series V shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(b) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(c) After expiry of the Initial Five Year Term, for each Dividend Period falling within a Dealer Determined Term, the holders of the Second Preferred Shares Series V shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(c) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, subject to section 4.2(e) of Part IV hereof.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period falling within an Auction Term, the holders of the Second Preferred Shares Series V as they appear on the securities register of the Corporation on the Auction Date within such Auction Dividend Period shall be entitled to receive and the Corporation shall pay, as and when declared by the directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends in an amount determined in accordance with section 1.3(d) hereof, payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.

(e) The initial dividend on the Second Preferred Shares Series V shall accrue from and include the original date of issue of the Second Preferred Shares Series V, shall be payable on January 3, 1998, and shall be in an amount determined in accordance with section 1.3(a) hereof.

(f) Cheques of the Corporation payable in lawful money of Canada, rounded to the nearest whole cent (\$0.01), shall be issued in respect of dividends on the Second Preferred Shares Series V (less any tax required to be deducted and withheld by the Corporation). The mailing by ordinary unregistered first class prepaid mail of such a cheque to a registered holder of Second Preferred Shares Series V to the address of such registered holder as it appears on the securities register of the Corporation, or if the address of any such holder does not appear, then to the last known address of such holder, on or before the fifth Business Day next preceding the applicable Dividend Payment Date or the delivery by the Corporation or the Auction Manager of such cheque on or before the Auction Dividend Payment Date, as the case may be, shall be deemed to be payment and shall satisfy and discharge all liabilities for dividends payable on such Dividend Payment Date or Auction Dividend Payment Date to the extent of the amount represented thereby (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not paid on due presentation.

### 1.3 Amount of Dividends

(a) The dividend to be paid on each Second Preferred Share Series V during the Initial Five Year Term shall be the amount of \$1.165 per annum payable in equal quarterly installments of \$0.29125 on each Dividend Payment Date except the first dividend which shall be payable on January 3, 1998, and shall be in the amount of \$0.29125 multiplied by a fraction, the numerator of which is the number of days from and including the original date of issue of the Second Preferred Shares Series V to but excluding the first Dividend Payment Date, and the denominator of which is 92.

(b) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Second Preferred Share Series V on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.

(c) Subject to section 1.3(e) hereof, after expiry of the Initial Five Year Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Second Preferred Share Series V on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$25.00 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.

(d) After expiry of the Initial Five Year Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Second Preferred Share Series V on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:

(i) on the first Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Second Preferred Share Series N shall be the amount which is the product of (1) \$25.00, (2) 75% of the Bankers' Acceptance Rate (as defined in Part V hereof) where the Bankers' Acceptance Rate is determined on the first Business Day of such Auction Dividend Period; and (3) the number of days in the first Auction Dividend Period, all divided by 365; and

(ii) on the second and subsequent Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Second Preferred Share Series V shall be the amount which is the product of (1) \$25.00, (2) the Current Dividend Rate (or such other rate per annum as may apply in accordance with Part V hereof) for each such Auction Dividend Period, determined on the Auction Date immediately prior to the beginning of such Auction Dividend Period, and (3) the number of days in such Auction Dividend Period, all divided by 365.

(e) After expiry of the Initial Five Year Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Second Preferred Share Series V on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) \$25.00, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, and (3) the number of days in such Dividend Period, all divided by 365.

#### 1.4 Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Second Preferred Shares Series V then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors of the Corporation on which dividends are otherwise payable hereunder and on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Second Preferred Shares Series V shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

#### 1.5 Redemption

The Second Preferred Shares Series V will not be redeemable on or before the date that is the fifth anniversary of the original date of issue of the Second Preferred Shares Series V. Subject to section 1.8 hereof, the Corporation may, upon giving notice as hereinafter provided, redeem at any time after the fifth anniversary of the original date of issue all or from time to time any of the then outstanding Second Preferred Shares Series V on payment for each share to be redeemed of an amount equal to \$25.00 together with an amount equal to all accrued and unpaid dividends thereon, whether or not declared, calculated to but excluding the Redemption Date (as hereinafter defined). Such amount is herein referred to as the "Redemption Price". If less than all of the then outstanding Second Preferred Shares Series V are to be redeemed, the Second Preferred Shares Series V to be redeemed shall be redeemed as nearly as may be pro rata from each of the holders of Second Preferred Shares Series V. Any Second Preferred Share Series V which is so redeemed shall be cancelled and not reissued.

#### 1.6 Redemption Procedure

(a) The Corporation shall, at least thirty (30) days before the date specified for redemption of Second Preferred Shares Series V, mail or deliver to each person who at the date of mailing is a registered holder of Second Preferred Shares Series V to be redeemed a notice in writing of the intention of the Corporation to redeem such Second Preferred Shares Series V. Notwithstanding the foregoing, if the Corporation gives notice of its intention to redeem Second Preferred Shares Series V on a Redemption Date (as hereinafter defined) which is during an Auction Term, such notice shall be given not less than 12 days prior to the date on which the redemption is to take place, which date, in such event, must be an Auction Dividend Payment Date.

(b) Such notice shall set out the Redemption Price and the date ("Redemption Date") on which redemption is to take place and, if part only of the Second Preferred Shares Series V held by the person to whom such notice is

addressed is to be redeemed, the number thereof so to be redeemed. The Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series V to be redeemed the Redemption Price therefor on presentation and surrender, at the place designated in such notice, of the certificates representing the Second Preferred Shares Series V so called for redemption. Such payment shall be made by cheque of the Corporation and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Second Preferred Shares Series V so called for redemption to the extent of the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. If part only of the Second Preferred Shares Series V represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the Redemption Date, the Second Preferred Shares Series V called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after giving notice of its intention to redeem Second Preferred Shares Series V as aforesaid, to deposit the Redemption Price for the Second Preferred Shares Series V so called for redemption (or such of the said shares as may be represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption) in a special account in any chartered bank or any trust company in Canada named in such notice or in any subsequent notice to the holders of the shares in respect of which the deposit is made, provided that the amount deposited in such an account shall be paid to the holders of such shares upon presentation and surrender to such bank or trust company of the certificates representing such shares. The Redemption Price so deposited shall be paid on or after the Redemption Date without interest to or to the order of the respective holders of such Second Preferred Shares Series V called for redemption. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Second Preferred Shares Series V in respect of which such deposit shall have been made shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving, without interest, the Redemption Price of such Second Preferred Shares Series V so called for redemption (less any tax required to be and in fact deducted or withheld therefrom) upon presentation and surrender of the certificates representing the holder's shares so redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

(c) Redemption moneys that are represented by a cheque which was mailed to a registered holder in accordance with this section 1.6 and which has not been duly presented for payment within, or that otherwise remain unclaimed (including moneys held on deposit as aforesaid) for, a period of 5 years from the Redemption Date shall be forfeited to the Corporation.

#### 1.7 Purchase for Cancellation

Subject to section 1.8 hereof, the Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Second Preferred Shares Series V outstanding from time to time at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable, but not exceeding \$25.00 per share plus all accrued and unpaid dividends and costs of purchase.

#### 1.8 Restriction on Dividends and Retirement of Shares

So long as any of the Second Preferred Shares Series V are outstanding, the Corporation shall not:

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series V) on the Class A non-voting shares or Class B common shares of the Corporation or any other shares of the Corporation ranking junior to the Second Preferred Shares Series V with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series V with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date or Auction Dividend Payment Date, as the case may be, on the Second Preferred Shares Series V and the dividend payable on the last preceding respective dividend payment dates on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series V with respect to payment of dividends then outstanding shall have

been declared and paid or set apart for payment at the date of any such action referred to in subsections (a) and (b) of this section 1.8.

#### 1.9 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Second Preferred Shares Series V shall be entitled to receive in lawful money of Canada \$25.00 per share together with an amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to but excluding the date of payment or distribution, the whole to be paid before any amount is paid or any property or assets of the Corporation are distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or any other shares ranking junior to the Second Preferred Shares Series V. Upon payment to the holders of record of the Second Preferred Shares Series V of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### 1.10 Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series V without the prior approval of the holders of the Second Preferred Shares Series V given as specified in section 1.11, nor shall the number of Second Preferred Shares Series V be increased without such approval; provided, however, that nothing in this section 1.10 shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series V shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

#### 1.11 Sanction by Holders of Second Preferred Shares Series V

The approval of the holders of the Second Preferred Shares Series V with respect to any and all matters referred to in these Second Preferred Shares Series V provisions may be given in writing by all of the holders of the Second Preferred Shares Series V for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series V duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series V then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of a least a majority of all Second Preferred Shares Series V then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series V present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series V then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series V. Notice of any such original meeting of the holders of the Second Preferred Shares Series V shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of share holders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series V present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series V held by such holder.

## PART II

### 2.1 Interpretation and Application of Part I, Part III, Part IV and Part V

(a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following terms have the following meanings:

- (i) "Auction Dividend Payment Date" shall have the meaning ascribed to that term in Part V hereof;
- (ii) "Auction Dividend Period" shall have the meaning ascribed to that term in Part V hereof;
- (iii) "Auction Procedures" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Second Preferred Shares Series V from time to time during an Auction Term;
- (iv) "Auction Term", "Auction Date" and "Auction Manager" shall have the respective meanings ascribed to those terms in Part V hereof;
- (v) "Business Day" shall have the meaning ascribed to that term in Part V hereof;
- (vi) "Corporation Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part III hereof;
- (vii) "Corporation Determined Term" shall have the meaning ascribed to that term in Part III hereof;
- (viii) "Current Dividend Rate" shall have the meaning ascribed to that term in Part V hereof;
- (ix) "Dealer Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (x) "Dealer Determined Term" shall have the meaning ascribed to that term in Part IV hereof;
- (xi) "Dividend Payment Dates" shall mean the third day of each of the months of January, April, July and October;
- (xii) "Dividend Period" shall mean the period from and including the original date of issue of the Second Preferred Shares Series V to but excluding the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date except for the first Dividend Period following an Auction Term in which case "Dividend Period" shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;
- (xiii) "Initial Five Year Term" shall mean the five year period commencing on the original date of issue of the Second Preferred Shares Series V and ending on the date that is the fifth anniversary of the original date of issue or, if such date is not a Dividend Payment Date, on the first Dividend Payment Date after the fifth anniversary of the original date of issue;
- (xiv) the use of the terms "ranking in priority to" or "ranking on a parity with" or "ranking junior to" or similar terms, whether used independently or in combination, mean and refer to the ranking of shares of different classes or series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and
- (xv) "Settlement Date" shall have the meaning ascribed to that term in Part V hereof.

Terms defined in Part III, Part IV or Part V hereof and used but not defined in this Part II have the meanings ascribed to them in Part III, Part IV or Part V, as the case may be.

(b) In the event that any date on which any dividend on the Second Preferred Shares Series V is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

(c) In the event of the non-receipt of a cheque by a holder of Second Preferred Shares Series V entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such

non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

(d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be used by the Corporation, at the earliest, in the period between 45 days and 60 days prior to the expiry of the Initial Five Year Term, and thereafter may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not less than 45 days and not more than 60 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not less than 20 days and not more than 25 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(e) The provisions of Part IV hereof with respect to solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be used by the Corporation, at the earliest, 30 days prior to the expiry of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances such provisions are used not more than 30 days and not less than 25 days prior to the expiry of the then current Corporation Determined Term or Dealer Determined Term or are used not more than 13 days and not less than 10 days prior to the end of the relevant Auction Dividend Period, as the case may be.

(f) The provisions of Part V hereof shall apply from and after the end of the Initial Five Year Term and from and after the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time the provisions of Part III or Part IV hereof are fully implemented in accordance with the terms of those Parts.

(g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "accrued and unpaid dividends" means the aggregate of (i) all unpaid dividends on the Second Preferred Shares Series V in respect of any Dividend Payment Date for any completed Dividend Period and Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Second Preferred Share Series V had been accruing on a day to day basis in a manner consistent with section 1.3 of Part I hereof from the date of the most recently completed Dividend Period or Auction Dividend Period to but excluding the date on which the computation of accrued dividends is to be made, provided that, for the purposes of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Second Preferred Shares Series V has been given pursuant to the provisions of section 1.6 of Part I hereof or (y) the relevant date for the purposes of section 1.9 of Part I hereof, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term, shall be for the period of 90 days ending on a day not more than 7 days prior to the date the written notice of redemption is given pursuant to the provisions of section 1.6 or ending on the relevant date for the purposes of section 1.9, as the case may be.

## 2.2 Notices

(a) Any notice or other communication from the Corporation provided for herein, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail to the holders of the Second Preferred Shares Series V at their respective addresses appearing on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. In addition, any notice or other communication from the Corporation during an Auction Term or a notice of the Corporation's intention to redeem Second Preferred Shares Series V on a day which is during an Auction Term shall also be given by telex, telecopier or telegraph communication. Accidental failure to give any notice or other communication to one or more holders of the Second Preferred Shares Series V shall not affect the validity of the notice or other communication properly given or any action, including the redemption of all or any part of the Second Preferred Shares Series V, taken pursuant to such properly given notice or other communication, but upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.

(b) If the Corporation 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 the holder of any Second Preferred Shares Series V, whether in connection with the redemption of such shares or otherwise, the Corporation, notwithstanding the provisions hereof, may

- (i) give such notice by telex, telecopier or telegraph communication or by means of publication once in each of two successive weeks in newspapers of general circulation published or distributed in Calgary and Toronto, and such notice shall be deemed to have been given on the date on which such telex, telecopier or telegraph communication was given or on the date on which the first publication has taken place; and
- (ii) fulfill the requirement to send such cheque or such share certificate by arranging for delivery thereof to the holder at such holder's address appearing on the securities register, or in the event of the address of such holder not so appearing, then at the last address of such holder known to the Corporation.

### 2.3 Voting Rights

In connection with any action to be taken by the Corporation which requires the approval of the holders of the Second Preferred Shares Series V as a series or of the holders of Series Second Preferred Shares as a class, each Second Preferred Share Series V shall entitle the holder thereof to one (1) vote for such purpose.

### 2.4 Modification

The provisions attached to the Second Preferred Shares Series V, may be repealed, altered, modified or amended from time to time with such approvals as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with section 2.5 of this Part II.

### 2.5 Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of the Second Preferred Shares Series V will be required to pay tax on dividends received on the Second Preferred Shares Series V under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## PART III

### INVESTOR NEGOTIATION PROCEDURE

#### 3.1 Definitions

For the purposes of Part III hereof, the following terms have the following meanings:

- (a) "Average Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (b) "Average Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part III references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to the relevant date for determining the Corporation Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (d) "Banks" shall have the meaning ascribed to that term in Part IV hereof;
- (e) "Corporation Determined Percentage" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section 3.2 of this Part III;

(f) "Corporation Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the Corporation in its notice pursuant to section 3.2 of this Part III, which shall be one of

(i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(g) "Corporation Determined Term" shall mean a term, selected by the Corporation, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series V, and terminating on the last day of the last Dividend Period selected by the Corporation, to which term the provisions of this Part III shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto -have been approved by the holders of the Second Preferred Shares Series V in accordance with section 3.3 of this Part III; and

(h) "Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof.

Terms defined in Part II, Part IV or Part V hereof and used but not defined in this Part III have the meanings ascribed to them in Part II, Part IV or Part V, as the case may be.

### 3.2 Determination of New Dividend Rate

At least 45 days and not more than 60 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 20 days and not more than 25 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may notify the holders of Second Preferred Shares Series V of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term. Such notification to such holders shall also

(a) specify a date by which each holder must notify the Corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term, if such holder intends to accept such terms, which date shall be at least 35 days prior to the end of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the relevant Auction Dividend Period, as the case may be, and

(b) specify that the proposed Corporation Determined Quarterly Dividend Rate and proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Second Preferred Shares Series V accept such terms.

### 3.3 Acceptance of Corporation Determined Quarterly Dividend Rate

If,

(a) by the time prescribed in section 3.2(a) of this Part III, all of the holders of Second Preferred Shares Series V have accepted the Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term as evidenced by notice in writing to the Corporation, and

(b) at least 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or at least 12 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such terms,

then such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid to the holders of Second Preferred Shares Series V, from time to time, on each of the Second Preferred Shares Series V on each Dividend Payment Date for Dividend Periods during such Corporation Determined Term.

### 3.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part III, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series V upon request) shall be conclusive.

## PART IV

### DEALER BID PROCEDURES

#### 4.1 Definitions

For the purposes of Part IV hereof, the following terms have the following meanings:

- (a) "Accepted Dealer Offer" shall have the meaning ascribed to that term in section 4.2(c) of this Part IV;
- (b) "Average Daily Prime Rate" shall mean, for any day, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one or more of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other one Bank or the average of the Daily Prime Rates of the other Banks, as the case may be, and further provided that if on such day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.5% above the average yield per annum on 91-day Government of Canada Treasury Bills as reported by the Bank of Canada for the most recent weekly tender preceding such day;
- (c) "Average Prime Rate" shall mean, for any period consisting of one or more days, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Average Daily Prime Rate for each day during such period;
- (d) "Bankers' Acceptance Rate", for any day, shall have the meaning ascribed to that term in section 5.1(i) of Part V hereof, provided, however, that for the purposes of this Part IV references in section 5.1(i) of Part V to (i) the "Auction Date next preceding each Auction Dividend Period" and "such Auction Date" shall be deemed to refer to the relevant date for determining the Dealer Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three month bankers' acceptances, and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date;
- (e) "Banks" shall mean Royal Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and The Bank of Nova Scotia and the term "Bank" shall mean one of the Banks, and for the purposes of this definition "Banks" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks;
- (f) "Daily Prime Rate" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such Bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;
- (g) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part IV;
- (h) "Dealer Determined Percentage" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section 4.2(b) of this Part IV;

(i) "Dealer Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by a Dealer in an Accepted Dealer Offer which shall be one of

(i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made, taking into account the Average Prime Rate for the period consisting of the three calendar months ending immediately prior to the first day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

(ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or

(iii) a fixed annual percentage rate;

(j) "Dealer Determined Term" shall mean a term, selected by a Dealer, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date of a Settlement Date on-or after the fifth anniversary of the original date of issue of the Second Preferred Shares Series V, and terminating on the last day of the last Dividend Period selected by such Dealer, to which term the provisions of this Part IV shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term;

(k) "Dealer Offer" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Second Preferred Shares Series V on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, at a purchase price per Second Preferred Share Series V equal to \$25.00 and containing the information specified in section 4.2(b) of this Part IV;

(l) "Dealer Response Date" shall have the meaning ascribed to that term in section 4.2(a) of this Part IV;

(m) "Notice Requesting Bids" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section 4.2(a) of this Part IV; and

(n) "Notification to Holders" shall mean the notification from the Corporation to holders of Second Preferred Shares Series V of the acceptance of a Dealer Offer as provided for in section 4.2(d) and, if applicable, section 4.2(e) of this Part IV.

Terms defined in Part II, Part III or Part V hereof and used but not defined in this Part IV have the meanings ascribed to them in Part II, Part III or Part V, as the case may be.

#### 4.2 Bids by Dealers

(a) At least 25 days and not more than 30 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term and at least 10 days and not more than 13 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Second Preferred Shares Series V. Such solicitation shall be contained in a notice ("Notice Requesting Bids") to be sent by the Corporation to such Dealers which notice shall

(i) invite each Dealer to submit to the Corporation a Dealer Offer, and

(ii) specify a date, which shall be not more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall be not more than 5 days after the giving of such notice, by which any such offer must be received by the Corporation (the "Dealer Response Date").

(b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies

(i) a Dealer Determined Quarterly Dividend Rate (and, in connection therewith, unless a fixed rate is specified, the Dealer Determined Percentage of the Average Prime Rate or the Dealer Determined Percentage of the Bankers' Acceptance Rate, as the case may be),

(ii) a Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(b) will apply, and

(iii) the amount of any fee to be paid by the Corporation to the Dealer in connection with the purchase of Second Preferred Shares Series V pursuant to the Dealer Offer.

(c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before the fifteenth day prior to expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or on or before the fifth day prior to the end of the relevant Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts ("Accepted Dealer Offer"). The Dealer whose Dealer Offer is accepted will be required to purchase all of the Second Preferred Shares Series V not retained by the existing holders on the day of expiry of the Initial Five Year Term or the then current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, on the terms and subject to the conditions contained in the Accepted Dealer Offer.

(d) Concurrently with its acceptance of a Dealer Offer, and in any event not later than 15 days before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or not later than 5 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation shall notify ("Notification to Holders") each existing holder of Second Preferred Shares Series V that the Corporation has accepted a Dealer Offer. Such notification shall

(i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Second Preferred Shares Series V,

(ii) specify the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2(d) will apply,

(iii) notify such holders of the right of each holder either to sell all or some of the Second Preferred Shares Series V it holds to such Dealer or to continue to hold all or some of the Second Preferred Shares Series V it then holds,

(iv) notify such holders of the date (which shall be on or before the sixth day prior to the expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or on or before the second day prior to the expiry of the relevant Auction Dividend Period, as the case may be) by which each holder must notify in writing the Corporation and the Dealer whose Dealer Offer has been accepted of its decision to sell some or all of the Second Preferred Shares Series V it holds as provided for in section 4.2(f) of this Part IV, and

(v) identify the Dealer whose Dealer Offer has been accepted.

(e) If a Notification to Holders is given during the Initial Five Year Term, a Corporation Determined Term, or a Dealer Determined Term, the dividend for the then current Dividend Period will be payable on the first business day following the Dividend Payment Date for such Dividend Period, and the Notification to Holders shall so state.

(f) Upon receipt of the Notification to Holders, an existing holder of Second Preferred Shares Series V may elect to sell Second Preferred Shares Series V in accordance with the terms specified in such Notification to Holders by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Second Preferred Shares Series V who elects to sell all or a part of its holdings of Second Preferred Shares Series V shall, together with such notice, deposit the certificate or certificates representing Second Preferred Shares Series V which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Second Preferred Shares Series V may be transferred or at any other place or places in Canada specified by the Corporation to holders of the Second Preferred Shares Series V in the Notification to Holders. If a holder of Second Preferred Shares Series V wishes to sell only some of the Second Preferred Shares Series V represented by any share certificate or certificates, the holder may deposit the certificate or certificates with the Corporation, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Second Preferred Shares Series V which are not being delivered for sale. Any holder of Second Preferred Shares Series V that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Second Preferred Shares Series V then held by it subject to the terms and conditions as to

the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Second Preferred Shares Series V pursuant to the provisions of this Part IV and shall also bind the Dealer in question.

(g) At least one Business Day, before expiry of the Initial Five Year Term or the then-current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section 4.2(f) of this Part IV and of the identity of the vendor or vendors thereof.

(h) On the day of expiry of the Initial Five Year Term, the Corporation Determined Term or the Dealer Determined Term or on the Settlement Date immediately following the expiry of the relevant Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer will purchase the Second Preferred Shares Series V from the holders specified in section 4.2(g) of this Part IV, at the purchase price as set out in section 4.1 (k) of this Part IV. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer shall deposit with the Corporation at its registered office, prior to noon, Calgary time, on such date, a certified cheque payable to the Corporation, as agent for the vendors referred to in section 4.2(g) of this Part IV, representing the aggregate purchase price of the Second Preferred Shares Series V to be purchased pursuant to this section 4.2(h) together with a direction as to registration particulars with respect to such Second Preferred Shares Series V to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendors at the registered office of the Corporation cheques payable to the vendors in payment of the purchase price for such Second Preferred Shares Series V.

#### 4.3 Termination of Application

Notwithstanding the acceptance of a Dealer Offer as provided for in this Part IV, the Corporation may notify the holders that the Corporation does not intend to proceed to implement application of the Dealer Determined Quarterly Dividend Rate and Dealer Determined Term as set forth in the Notification to Holders provided that such notification is given by the Corporation to existing holders on or before expiry of the Initial Five Year Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be. In such circumstances, the provisions of Part V hereof shall be applied in accordance with such Part and, for greater certainty, the Dealer whose Dealer Offer has been accepted shall not be obliged to purchase any Second Preferred Shares Series V pursuant to such Dealer Offer. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry of any subsequent Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, to implement the provisions of this Part IV by forwarding a Notice Requesting Bids to one or more Dealers.

#### 4.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part IV, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series V upon request) shall be conclusive.

### PART V

#### AUCTION PROCEDURES

##### 5.1 Definitions

For the purposes of Part V hereof, the following terms have the following meanings:

- (a) "Auction" shall mean the periodic operation of the procedures set forth in this Part V;
- (b) "Auction Date" shall mean the fourth Tuesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Tuesday is not a Business Day, the next preceding Business Day;

- (c) "Auction Dividend Payment Date" shall mean the Business Day immediately following the Settlement Date;
- (d) "Auction Dividend Period" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the last Dividend Payment Date of the Initial Five Year Term or of the Corporation Determined Term or Dealer Determined Term immediately preceding such Auction Term, as the case may be, to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date;
- (e) "Auction Manager" shall mean the Corporation or any trust company or any successor thereto duly appointed or to be appointed by the Corporation as Auction Manager in respect of the Second Preferred Shares Series V and entering into an Auction Manager Agreement with the Corporation;
- (f) "Auction Manager Agreement" shall mean an agreement made between the Auction Manager, if other than the Corporation, and the Corporation which provides, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Second Preferred Shares Series V;
- (g) "Auction Term" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures in this Part V apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;
- (h) "Available Shares" shall have the meaning specified in paragraph (i) of section 5.4(a) of this Part V;
- (i) "Bankers' Acceptance Rate" shall mean, with respect to any Auction Dividend Period, the rate per annum equal to
- (i) the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the rates per annum quoted by RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) where such rates per annum, quoted by such dealers, are equal to the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on the Auction Date next preceding such Auction Dividend Period, on 30-day bankers' acceptances accepted by such of the Banks as are accepting 30-day bankers' acceptances on such Auction Date;
  - (ii) in the event one of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) is unable to or does not for any reason quote the bid and ask rates per annum referred to in paragraph (i) of this section 5.1(i) as at 10:00 a.m., Toronto time, on such Auction Date, such rate shall be the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates per annum on such date quoted by the other one; or
  - (iii) in the event both RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Toronto time, on such Auction Date (including, without limitation, where none of the Banks is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (i) or (ii) above, such rate shall be 0.2% plus the simple average, rounded to the nearest one-hundredth of one percent (0.01%), of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Nesbitt Burns Inc. (or any successor), rounded upward to the nearest one-thousandth of one percent (0.001%), as at 10:00 a.m., Toronto time, on such Auction Date, on Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date;
- (j) "Bid" and "Bids" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (k) "Bidder" and "Bidders" shall have the respective meanings specified in section 5.2(a) of this Part V;

- (l) "Business Day" shall mean a day on which both the Montreal Exchange and The Toronto Stock Exchange or any successor facilities and the Auction Manager are open for business;
- (m) "Current Dividend Rate" shall be the rate per annum which has been determined in accordance with section 5.4(b) of this Part V for the next succeeding Auction Dividend Period;
- (n) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part V that has entered into a Dealer Agreement with the Auction Manager that remains effective;
- (o) "Dealer Agreement" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part V;
- (p) "Existing Holder" shall mean a holder of Second Preferred Shares Series V who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) is registered in the ledger maintained by the Auction Manager in respect of holders of Second Preferred Shares Series V;
- (q) "held by" with respect to any Second Preferred Shares Series V registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder;
- (r) "Hold Order" and "Hold Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (s) "Maximum Rate" with respect to any Auction Dividend Period shall mean 0.40% plus the Bankers' Acceptance Rate determined on the Auction Date immediately preceding such Auction Dividend Period;
- (t) "Order" and "Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (u) "Potential Holder" shall mean any person, including any Existing Holder, who (i) has signed a Purchaser's Letter, (ii) has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section 5.2(a) of this Part V, and (iii) may be interested in acquiring Second Preferred Shares Series V (or, in the case of an Existing Holder, additional Second Preferred Shares Series V);
- (v) "Purchaser's Letter" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part V in the event such person participates in an Auction;
- (w) "Remaining Shares" shall have the meaning specified in paragraph (iv) of section 5.5(a) of this Part V;
- (x) "Sell Order" and "Sell Orders" shall have the respective meanings specified in section 5.2(a) of this Part V;
- (y) "Settlement Date" shall mean the Business Day immediately following the Auction Date;
- (z) "Submission Deadline" shall mean 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;
- (aa) "Submitted Bid" and "Submitted Bids" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (bb) "Submitted Hold Order" and "Submitted Hold Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (cc) "Submitted Order" and "Submitted Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;
- (dd) "Submitted Sell Order" and "Submitted Sell Orders" shall have the respective meanings specified in section 5.4(a) of this Part V;



- (ee) "Sufficient Clearing Bids" shall have the meaning specified in section 5.4(a) of this Part V; and
- (ff) "Winning Bid Rate" shall be the rate per annum determined in accordance with section 5.4(a) of this Part V.

Terms defined in Part II, Part III or Part IV hereof and used but not defined in this Part V have the meanings ascribed to them in Part II, Part III or Part IV, as the case may be.

## 5.2 Orders by Existing Holders and Potential Holders

### (a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Holder may submit to a Dealer information as to the number of Second Preferred Shares Series V, if any, held by such Existing Holder which such Existing Holder

(A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period; and/or

(B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Existing Holder; and/or

(C) offers to sell without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period;

and

(ii) Potential Holders may submit to a Dealer offers to purchase Second Preferred Shares Series V, provided that any such offer shall be effective only if the Current Dividend Rate for the next succeeding Auction Dividend Period shall be not less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section 5.2(a) is an "Order" and collectively are "Orders"; each Existing Holder and each Potential Holder placing an Order is a "Bidder" and collectively are "Bidders"; an Order containing the information referred to in subparagraph (i) (A) of this section 5.2(a) is a "Hold Order" and collectively are "Hold Orders"; an Order containing the information referred to in subparagraph (i) (B) or paragraph (ii) of this section 5.2(a) is a "Bid" and collectively are "Bids"; and an Order containing the information referred to in subparagraph (i)(C) of this section 5.2(a) is a "Sell Order" and collectively are "Sell Orders".

### (b) A Bid by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series V

(i) the number of Second Preferred Shares Series V specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the specified rate; or

(ii) the specified number of Second Preferred Shares Series V or a lesser number to be determined as set forth in paragraph (iv) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or

(iii) the number of Second Preferred Shares Series V specified in such Bid if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or

(iv) a lesser number of Second Preferred Shares Series V to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

### (c) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell at a price of \$25.00 per Second Preferred Share Series V

(i) the number of Second Preferred Shares Series V specified in such Sell Order; or

- (ii) a lesser number of Second Preferred Shares Series V to be determined as set forth in paragraph (iii) of section 5.5(b) of this Part V if Sufficient Clearing Bids do not exist.
- (d) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase at a price of \$25.00 per Second Preferred Share Series V
  - (i) the number of Second Preferred Shares Series V specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the specified rate; or
  - (ii) the specified number or a lesser number of Second Preferred Shares Series V to be determined as set forth in paragraph (v) of section 5.5(a) of this Part V if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (iii) the specified number of Second Preferred Shares Series V if the specified rate is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.
- (e) If none of the holders of Second Preferred Shares Series V is an Existing Holder on any date which would be an Auction Date, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on such date.

### 5.3 Submission of Orders by Dealers to the Auction Manager

- (a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order
  - (i) the name of the Bidder placing such Order;
  - (ii) the aggregate number of Second Preferred Shares Series V that are the subject of the Order;
  - (iii) to the extent that the Bidder is an Existing Holder, the number of Second Preferred Shares Series V, if any, subject to any
    - (A) Hold Order placed by such Existing Holder;
    - (B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or
    - (C) Sell Order placed by such Existing Holder; and
  - (iv) to the extent that the Bidder is a Potential Holder, the dividend rate per annum specified in the Bid of such Potential Holder.
- (b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001 %).
- (c) If for any reason an Order or Orders covering in the aggregate all the Second Preferred Shares Series V held by an Existing Holder are not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Second Preferred Shares Series V held by such Existing Holder and not subject to Orders submitted to the Auction Manager.
- (d) If one or more Orders covering in the aggregate more than the number of Second Preferred Shares Series V held by an Existing Holder are submitted to the Auction Manager, such Orders shall be considered valid as follows and in the following order of priority:
  - (i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Second Preferred Shares Series V held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Second Preferred Shares Series V subject to such Hold Orders exceeds the number of Second Preferred Shares Series V held by such Existing Holder, the number of Second Preferred Shares Series V subject to each such Hold Order

shall be reduced pro rata to cover the number of Second Preferred Shares Series V held by such Existing Holder;

(ii) (A) any Bid shall be considered valid up to and including the excess of the number of Second Preferred Shares Series V held by such Existing Holder over the number of Second Preferred Shares Series V subject to any Hold Order referred to in paragraph (i) of this section 5.3(d);

(B) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Second Preferred Shares Series V subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Second Preferred Shares Series V subject to each Bid with the same rate shall be reduced pro rata to cover the number of Second Preferred Shares Series V equal to such excess;

(C) subject to subparagraph (ii) (A) of this section 5.3(d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and

(D) in any such event, the number, if any, of such Second Preferred Shares Series V subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Second Preferred Shares Series V held by such Existing Holder over the sum of the Second Preferred Shares Series V subject to Hold Orders referred to in paragraph (i) of this section 5.3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this section 5.3(d).

(e) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate therein specified.

#### 5.4.Determination of Sufficient Clearing Bids, Winning Bid Rate and Current Dividend Rate

(a) On the Submission Deadline on each Auction Date, the Auction Manager shall assemble all Orders submitted or deemed submitted to it by the Dealers (each such Order as submitted or deemed submitted by a Dealer being individually a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or a "Submitted Order", and collectively "Submitted Hold Orders", "Submitted Bids" or "Submitted Sell Orders", as the case may be, or "Submitted Orders") and shall determine

(i) the excess of (A) the total number of Second Preferred Shares Series V issued and outstanding over (B) the number of Second Preferred Shares Series V that are the subject of Submitted Hold Orders (such excess being the "Available Shares");

(ii) from the Submitted Orders, whether

(A) the number of Second Preferred Shares Series V that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate

exceeds or is equal to the sum of

(B) (I) the number of Second Preferred Shares Series V that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate, and

(II) the number of Second Preferred Shares Series V that are the subject of Submitted Sell Orders;

and if such excess or equality exists (other than because all of the Second Preferred Shares Series V are the subject of Submitted Hold Orders), then such Submitted Bids in subparagraph (A) hereof shall be "Sufficient Clearing Bids"; and

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids which if the Auction Manager accepted

- (A) (I) each Submitted Bid from Existing Holders specifying that lowest rate, and
- (II) all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Second Preferred Shares Series V that are the subject of those Submitted Bids, and
- (B) (I) each Submitted Bid from Potential Holders specifying such rate, and
- (II) all other Submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Second Preferred Shares Series V that are the subject of those Submitted Bids,

would result in such Existing Holders described in subparagraph (A) hereof continuing to hold an aggregate number of Second Preferred Shares Series V which, when added to the aggregate number of Second Preferred Shares Series V to be purchased by such Potential Holders described in subparagraph (B) hereof, would equal not less than the number of Available Shares (such lowest rate being the "Winning Bid Rate").

(b) Promptly after the Auction Manager has made the determinations pursuant to section 5.4(a) of this Part V, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Second Preferred Shares Series V for the next succeeding Auction Dividend Period (the "Current Dividend Rate") as follows:

- (i) if Sufficient Clearing Bids exist, the Current Dividend Rate for the next Succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;
- (ii) if Sufficient Clearing Bids do not exist (other than because all of the Second Preferred Shares Series V are the subject of Submitted Hold Orders), then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or
- (iii) if all of the Second Preferred Shares Series V are the subject of Submitted Hold Orders, then the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

#### 5.5 Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section 5.4(a) of this Part V, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:

(a) If Sufficient Clearing Bids have been made, subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:

- (i) the Submitted Sell Order of each Existing Holder shall be accepted and the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Second Preferred Shares Series V that are the subject of such Submitted Sell Order and such Submitted Bid;
- (ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold Second Preferred Shares Series V that are the subject of such Submitted Bid;
- (iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Second Preferred Shares Series V that are the subject of such Submitted Bid;
- (iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate

shall be accepted, thus entitling each such Existing Holder to continue to hold the Second Preferred Shares Series V that are the subject of such Submitted Bid, unless the number of Second Preferred Shares Series V subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Second Preferred Shares Series V subject to Submitted Bids described in paragraphs (ii) and (iii) of this section 5.5(a) (the "Remaining Shares"). In this event, the Submitted Bids of each Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Second Preferred Shares Series V, but only in an amount equal to the difference between (A) the number of Second Preferred Shares Series V then held by such Existing Holder subject to such Submitted Bid and (B) the number of Second Preferred Shares Series V obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series V held by such Existing Holder subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series V subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the number of Second Preferred Shares Series V obtained by multiplying (x) the difference between the total number of Available Shares and the number of Second Preferred Shares Series V subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this section 5.5(a) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series V subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Second Preferred Shares Series V subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

(b) If Sufficient Clearing Bids have not been made (other than because all of the Second Preferred Shares Series V are subject to Submitted Hold Orders), subject to the provisions of sections 5.5(c) and 5.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Second Preferred Shares Series V that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Second Preferred Share Series V that are the subject of such Submitted Bid; and

(iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Second Preferred Shares Series V then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Second Preferred Shares Series V obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Second Preferred Shares Series V subject to Submitted Bids described in paragraphs (i) and (ii) of this section 5.5(b) by (y) a fraction, the numerator of which shall be the number of Second Preferred Shares Series V held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order, and the denominator of which shall be the number of Second Preferred Shares Series V subject to all such Submitted Bids and Submitted Sell Orders;

(c) If, as a result of the procedures described in sections 5.5(a) or 5.5(b) of this Part V, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Second Preferred Share Series V on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Second Preferred Shares Series V to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be a whole number of Second Preferred Shares Series V;

(d) If, as a result of the procedures described in section 5.5(a) of this Part V, any Potential Holder would be entitled or required to purchase a fraction of a Second Preferred Share Series V on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole numbers of Second Preferred Shares Series V are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Second Preferred Shares Series V on such Auction Date; and

(e) Based on the result of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Second Preferred Shares Series V an Existing Holder or Existing Holders shall sell Second Preferred Shares Series V being sold by such Existing Holder or Existing Holders. Such purchases and sales of Second Preferred Shares Series V shall be completed on the Settlement Date by payment by each Potential Holder purchasing Second Preferred Shares Series V of the aggregate purchase price of the Second Preferred Shares Series V to be purchased equal to \$25.00 per Second Preferred Share Series V against delivery by each Existing Holder selling Second Preferred Shares Series V of the number of Second Preferred Shares Series V being sold.

#### 5.6 Miscellaneous

Notwithstanding the provisions of this Part V, the Auction Manager shall not follow the Auction Procedures herein on the Auction Date immediately preceding (i) the Redemption Date in the event that written notice of redemption of all the outstanding Second Preferred Shares Series V has been given pursuant to the provisions of section 1.6 of Part I hereof, or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part V, the directors of the Corporation (or any person or persons designated by the directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty, and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Second Preferred Shares Series V upon request) shall be conclusive.

#### III-W Series Second Preferred Shares, Series W

Six Million (6,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series W (the "Second Preferred Shares Series W"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series W shall be as follows:

##### (1) Dividends

- (a) The holders of the Second Preferred Shares Series W shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.45 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on March 1, 2003. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series W then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series W shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series W shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

##### (2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the Canada Business

Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series W outstanding from time to time

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series W are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series W outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series W are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series W so tendered by each of the holders of Second Preferred Shares Series W who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series W under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

- (a) The Corporation may not redeem the Second Preferred Shares Series W or any of them prior to March 1, 2008. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series W on payment of the following amounts (each a "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning March 1	Redemption Price
2008	\$26.00
2009	\$25.75
2010	\$25.50
2011	\$25.25
2012 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

- (b) In any case of redemption of Second Preferred Shares Series W under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series W to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series W. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part only of the Second Preferred Shares Series W held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series W to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second

Preferred Shares Series W called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series W shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series W called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series W, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series W called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series W in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series W is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series W shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series W have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to March 1, 2008, and if such event commences after that date an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series W if such shares were to be redeemed in accordance with paragraph (3) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series W in any respect. After payment to the holders of the Second Preferred Shares Series W of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series W are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series W and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series W then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the



date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series W are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series W) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series W with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series W with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series W and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series W with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series W without the prior approval of the holders of the Second Preferred Shares Series W given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series W be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series W shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series W

The approval of the holders of the Second Preferred Shares Series W with respect to any and all matters referred to in these Second Preferred Shares Series W provisions may be given in writing by all of the holders of the Second Preferred Shares Series W for the time being outstanding or by resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series W duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series W then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series W then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series W present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series W then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds (2/3) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series W. Notice of any such original meeting of the holders of the Second Preferred Shares Series W shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series W present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series W held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2 (1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series W will be required to pay tax on dividends received on the Second Preferred Shares Series W under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Amendments

The provisions of paragraphs (1) to (9), inclusive, and of this paragraph (10), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series W given as specified in paragraph (8), in addition to any other approval required by the Canada Business Corporations Act.

III-X Series Second Preferred Shares, Series X

Six Million (6,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series X (the "Second Preferred Shares Series X"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series X shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series X shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.50 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "dividend payment dates") in each year. The first dividend, if declared, will be payable on June 1, 2003. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series X then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series X shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series X shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series X outstanding from time to time.

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series X are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series X outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series X are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series X so tendered by each of the holders of Second Preferred Shares Series X who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series X under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series X or any of them prior to June 1, 2008. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series X on payment of the following amounts (each a "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning June 1,	Redemption Price
2008	\$26.00
2009	\$25.75
2010	\$25.50
2011	\$25.25
2012 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series X under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series X to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series X. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series X held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series X to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series X called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series X shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series X called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in

respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series X, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series X called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series X in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series X is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series X shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series X have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to June 1, 2008, and if such event commences after that date an additional amount equal to the premium which would be payable as part of the redemption price of such Second Preferred Shares Series X if such shares were to be redeemed in accordance with paragraph (3) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series X in any respect. After payment to the holders of the Second Preferred Shares Series X of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series X are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series X and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series X then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series X are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series X) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series X with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series X with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series X and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series X with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series X without the prior approval of the holders of the Second Preferred Shares Series X given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series X be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series X shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series X

The approval of the holders of the Second Preferred Shares Series X with respect to any and all matters referred to in these Second Preferred Shares Series X provisions may be given in writing by all of the holders of the Second Preferred Shares Series X for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series X duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series X then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series X then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series X present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series X then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series X. Notice of any such original meeting of the holders of the Second Preferred Shares Series X shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series X present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series X held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series X will be required to pay tax on dividends received on the Second Preferred Shares Series X under

section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Amendments

The provisions of paragraphs (1) to (9), inclusive, and of this paragraph (10), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series X given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.

## SCHEDULE OF OTHER PROVISIONS

The directors, without authorization of the shareholders, may:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) to the extent permitted by the Canada Business Corporations Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;
- (d) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation;
- (e) delegate to a director, a committee of directors or an officer, one or more of them as may be designated by resolution of the directors, all or any of the powers conferred by the foregoing provisions of paragraphs (a), (b), (c) and d to such extent and in such manner as the directors of the Corporation may determine at the time of each such delegation; and
- (f) between annual general meetings, appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders of the Corporation, subject to election by the shareholders at that time to a further term, but the total number of directors so appointed shall not exceed one-third of the number of directors elected at the previous annual meeting of shareholders of the Corporation.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

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

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

Marcie Girouard

Director / Directeur

2011-09-20

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)





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

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

- 
- 1 Corporate name  
Dénomination sociale  
**CANADIAN UTILITIES LIMITED**
- 
- 2 Corporation number  
Numéro de la société  
**010577-5**
- 
- 3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

The corporation amends the description of classes of shares as follows:  
La description des catégories d'actions est modifiée comme suit :  
**See attached schedule / Voir l'annexe ci-jointe**

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

Original signed by / Original signé par  
**Carol Gear**  
\_\_\_\_\_  
**Carol Gear**  
**403-292-7435**

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

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



# Form 4

## Articles of Amendment

(Sections 27 and 177 of the Canada Business Corporations Act (CBCA))

### Instructions

3 Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

A: If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

D: Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

### 4 Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the Privacy Act. However, public disclosure pursuant to section 266 of the CBCA is permitted under the Privacy Act.

If you require more information, please consult our web site at www.corporationscanada.ic.gc.ca or contact us at 613-941-9042 (Ottawa region) or toll-free at 1 866 333-5556 or by email at corporationscanada@ic.gc.ca.

### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

### Important Reminders

**Change of registered office address and/or mailing address:**

Complete and file Change of Registered Office Address (Form 3).

**Change of directors or changes of a director's address:**

Complete and file Changes Regarding Directors (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

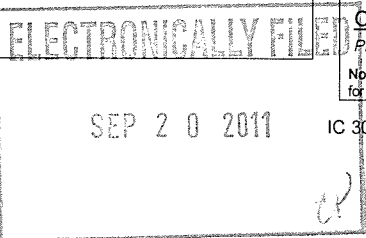
File documents online (except for Articles of Amalgamation):

**Corporations Canada Online Filing Centre:**  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

or send documents by mail:

**Director General,**  
**Corporations Canada**  
**Jean Edmonds Tower South**  
**9th Floor**  
**365 Laurier Ave. West**  
**Ottawa ON K1A 0C8**

By Facsimile:  
**613-941-0999**



<b>1</b>	<b>Corporation name</b>
	Canadian Utilities Limited

<b>2</b>	<b>Corporation number</b>
	0105775

<b>3</b>	<b>The articles are amended as follows:</b> (Please note that more than one section can be filled out)
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**A:** The corporation changes its name to:

N/A

**B:** The corporation changes the province or territory in Canada where the registered office is located:  
(Do not indicate the full address)

**C:** The corporation changes the minimum and/or maximum number of directors to:

N/A

**D:** Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation to or any other provisions that are permitted by the CBCA to be set out in the Articles) **Please specify.**

1. Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Series Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series Y", and limited in number to 13,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series Y having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A"; and

2. Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Series Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series Z", and limited in number to 13,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series Z having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "B".

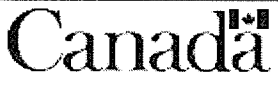
<b>4</b>	<b>Declaration</b>
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I hereby certify that I am a director or an officer of the corporation.

SIGNATURE

Carol Gear (403) 292-7435  
PRINT NAME TELEPHONE NUMBER

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



## SCHEDULE "A" TO ARTICLES OF AMENDMENT

13,000,000 of the Series Second Preferred Shares are designated as Cumulative Redeemable Second Preferred Shares Series Y (the "**Series Y Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series Y Preferred Shares shall be as follows:

(1) Interpretation

- (a) In these Series Y Preferred Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 2.40%;
  - (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR<INDEX> page on that service) for purposes of displaying Government of Canada bond yields;
  - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (v) "**Book-Entry Shares**" means Series Y Preferred Shares held through the Book-Based System;
  - (vi) "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada;
  - (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (viii) "**Class A non-voting shares**" means Class A non-voting shares of the Corporation;
  - (ix) "**Class B common shares**" means Class B common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series Y Preferred Shares;
  - (xi) "**Dividend Payment Date**" means March 1, June 1, September 1 or December 1 in any year;

- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 2.40%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada 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. (Toronto time) on such date and that 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, then the Government of Canada 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, that 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;
- (xvii) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series Y Preferred Shares to but excluding June 1, 2017;
- (xviii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xix) "**Participants**" means participants in the Book-Based System;
- (xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365;
- (xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxii) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year;

- (xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
  - (xxiv) "**Second Preferred Shares**" means Series Second Preferred Shares of the Corporation;
  - (xxv) "**Series Y Conversion Date**" means June 1, 2017, and June 1 in every fifth year thereafter;
  - (xxvi) "**Series Z Preferred Shares**" means Cumulative Redeemable Second Preferred Shares Series Z of the Corporation;
  - (xxvii) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 1, 2017, to but excluding June 1, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding June 1 in the fifth year thereafter;
  - (xxviii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxix) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.
- (b) The expressions "**on a parity with**", "**ranking prior to**", "**ranking junior to**" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series Y Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

(2) Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series Y Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.00 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on December 1, 2011, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.00 by the number of days in the period from and including the date of issue of the Series Y Preferred Shares to but excluding December 1, 2011, and dividing that product by 365.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series Y Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the

payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.

- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series Y Preferred Shares. The Corporation shall, on each 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 the then outstanding Series Y Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series Y Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series Y Preferred Shares then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series Y Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series Y Preferred Shares outstanding from time to time

- (a) through the facilities of any stock exchange on which the Series Y Preferred Shares are listed,

- (b) by invitation for tenders addressed to all the holders of record of the Series Y Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series Y Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series Y Preferred Shares so tendered by each of the holders of Series Y Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series Y Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

(4) Redemption

- (a) The Series Y Preferred Shares shall not be redeemable prior to June 1, 2017. Subject to the provisions of paragraph (7), on June 1, 2017, and on June 1 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series Y Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of each Series Y Preferred Share is the amount contemplated as the redemption amount.
- (b) In any case of redemption of Series Y Preferred Shares under the provisions of this paragraph (4), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series Y Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series Y Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series Y Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series Y Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series Y Preferred Shares called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Series Y Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for

the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series Y Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series Y Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series Y Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series Y Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the date immediately prior to the fifth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series Y Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the board of directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors so decides, such shares may be redeemed *pro rata* (disregarding fractions).

(5) Conversion into Series Z Preferred Shares

- (a) The Series Y Preferred Shares shall not be convertible prior to June 1, 2017. Holders of Series Y Preferred Shares shall have the right to convert on each Series Y Conversion Date, subject to the provisions hereof, all or any of their Series Y Preferred Shares into Series Z Preferred Shares on the basis of one Series Z Preferred Share for each Series Y Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series Y Conversion Date, give notice in writing to the then registered holders of the Series Y Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series Y Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series Y Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series Y Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2) (c).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series Y Preferred Shares of the redemption of all of the Series Y Preferred Shares, then the right of a holder of Series Y Preferred Shares to convert such Series Y Preferred Shares shall



terminate and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).

- (c) Holders of Series Y Preferred Shares shall not be entitled to convert their shares into Series Z Preferred Shares if the Corporation determines that there would remain outstanding on a Series Y Conversion Date less than 2,000,000 Series Z Preferred Shares, after having taken into account all Series Y Preferred Shares tendered for conversion into Series Z Preferred Shares and all Series Z Preferred Shares tendered for conversion into Series Y Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (c) to all affected registered holders of the Series Y Preferred Shares at least seven days prior to the applicable Series Y Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series Y Conversion Date, at the expense of the Corporation, to such holders of Series Y Preferred Shares who have surrendered for conversion any certificate or certificates representing Series Y Preferred Shares, certificates representing the Series Y Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series Y Conversion Date less than 2,000,000 Series Y Preferred Shares, after having taken into account all Series Y Preferred Shares tendered for conversion into Series Z Preferred Shares and all Series Z Preferred Shares tendered for conversion into Series Y Preferred Shares, then all of the remaining outstanding Series Y Preferred Shares shall be converted automatically into Series Z Preferred Shares on the basis of one Series Z Preferred Share for each Series Y Preferred Share on the applicable Series Y Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (c) to the registered holders of such remaining Series Y Preferred Shares at least seven days prior to the Series Y Conversion Date.
- (e) The conversion right may be exercised by a holder of Series Y Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series Z Conversion Notice**"), which notice shall be irrevocable and must be received by the transfer agent and registrar for the Series Y Preferred Shares at the principal office in Toronto of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series Y Conversion Date. The Series Z Conversion Notice shall indicate the number of Series Y Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of any applicable taxes. Except in the case where the Series Z Preferred Shares are in the Book-Based System, if the Series Z Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series Y Preferred Shares to be converted, the Series Z Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series Z Preferred Shares in some other name or names (the "**Series Z Transferee**") and stating the name or names (with addresses) accompanied by payment to the transfer agent and registrar of any transfer tax that may be payable by reason thereof and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series Z Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series Z Transferee to hold such Series Z Preferred Shares.
- (f) If all remaining outstanding Series Y Preferred Shares are to be converted into Series Z Preferred Shares on the applicable Series Y Conversion Date as provided for in

subparagraph (d) of this paragraph (5), the Series Y Preferred Shares that holders have not previously elected to convert shall be converted on the Series Y Conversion Date into Series Z Preferred Shares and the holders thereof shall be deemed to be holders of Series Z Preferred Shares at 5:00 p.m. (Toronto time) on the Series Y Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series Y Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series Z Preferred Shares in the manner and subject to the provisions of this paragraph (5).

- (g) Subject to subparagraph (h) of this paragraph (5), as promptly as practicable after the Series Y Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series Z Preferred Shares registered in the name of the holders of the Series Y Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto of the transfer agent and registrar for the Series Y Preferred Shares of the certificate or certificates for the Series Y Preferred Shares to be converted. If a part only of such Series Y Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series Z Conversion Notice, the Series Y Preferred Shares converted into Series Z Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail to deliver to the holders of the Series Y Preferred Shares to be converted share certificates representing the Series Z Preferred Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series Z Preferred Shares upon conversion of any Series Y Preferred Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series Z Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series Z Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series Z Preferred Shares or is unable to deliver Series Z Preferred Shares.
- (i) The Corporation reserves the right not to deliver Series Z Preferred Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series Z Preferred Shares, and the Corporation shall attempt to sell such Series Z Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole

discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series Z Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series Z Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque.

(6) Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series Y Preferred Shares shall be entitled to receive \$25.00 per Series Y Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series Y Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or to the holders of any other shares ranking junior to the Series Y Preferred Shares. After payment to the holders of the Series Y Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Series Y Preferred Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay off less than all the Series Y Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series Y Preferred Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series Y Preferred Shares are outstanding, the Corporation shall not

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series Y Preferred Shares) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Series Y Preferred Shares with respect to payment of dividends or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series Y Preferred Shares with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series Y Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series Y Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Series Y Preferred Shares without the prior approval of the holders of the Series Y Preferred Shares given as specified in paragraph (10), nor shall the number of Series Y Preferred Shares be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Second Preferred Shares and, if all dividends then payable on the Series Y Preferred Shares shall have been paid or set apart for payment, from issuing additional series of Second Preferred Shares without such approval.

(10) Sanction by Holders of Series Y Preferred Shares

The approval of the holders of the Series Y Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series Y Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series Y Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series Y Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series Y Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series Y Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series Y Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series Y Preferred Shares. Notice of any such original meeting of the holders of the Series Y Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series Y Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series Y Preferred Shares held by such holder.

(11) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series Y Preferred Shares shall be required to pay tax on dividends received on the Series Y Preferred Shares under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(12) Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series Y Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (12). Holders of Series Y Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

(13) Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (13) and notwithstanding the provisions of paragraphs (1) through (12) of these share provisions, the Series Y Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series Y Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series Y Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (13), no beneficial holder of Series Y Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (12), so long as the System Operator is the registered holder of the Series Y Preferred Shares:
- (i) the System Operator shall be considered the sole owner of the Series Y Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series Y Preferred Shares or the delivery of Series Z Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of

the beneficial holders of the Series Y Preferred Shares, the cash redemption price for the Series Y Preferred Shares or certificates for Series Z Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series Y Preferred Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series Y Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (13) shall no longer be applicable to the Series Y Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series Y Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs (1) through (12) and the exercise of rights of redemption and conversion are subject to the provisions of this paragraph (13), and to the extent that there is any inconsistency or conflict between such provisions the provisions of this paragraph (13) shall prevail.

(14) Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series Y Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series Y Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series Y Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series Y Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series Y Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(15) Amendments

The provisions of paragraphs (1) through (14) and of this paragraph (15), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Series Y Preferred Shares given as specified in paragraph (10) in addition to any other approval required by the *Canada Business Corporations Act*.

## SCHEDULE "B" TO ARTICLES OF AMENDMENT

13,000,000 of the Series Second Preferred Shares are designated as Cumulative Redeemable Second Preferred Shares Series Z (the "**Series Z Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series Z Preferred Shares shall be as follows:

(1) Interpretation

(a) In these Series Z Preferred Share provisions, the following expressions have the meanings indicated:

- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 2.40%;
- (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR<INDEX> page on that service) for purposes of displaying Government of Canada bond yields;
- (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
- (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
- (v) "**Book-Entry Shares**" means Series Z Preferred Shares held through the Book-Based System;
- (vi) "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada;
- (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
- (viii) "**Class A non-voting shares**" means Class A non-voting shares of the Corporation;
- (ix) "**Class B common shares**" means Class B common shares of the Corporation;
- (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series Z Preferred Shares;
- (xi) "**Dividend Payment Date**" means March 1, June 1, September 1 or December 1 in any year;



- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 2.40%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada 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. (Toronto time) on such date and that 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, then the Government of Canada 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, that 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;
- (xvii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xviii) "**Participants**" means participants in the Book-Based System;
- (xix) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365;
- (xx) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxi) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year;
- (xxii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;

- (xxiii) "**Second Preferred Shares**" means Series Second Preferred Shares of the Corporation;
  - (xxiv) "**Series Y Preferred Shares**" means Cumulative Redeemable Second Preferred Shares Series Y of the Corporation;
  - (xxv) "**Series Z Conversion Date**" means June 1, 2022, and June 1 in every fifth year thereafter;
  - (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 1, 2017, to but excluding June 1, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding June 1 in the fifth year thereafter;
  - (xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.
- (b) The expressions "**on a parity with**", "**ranking prior to**", "**ranking junior to**" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series Z Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

(2) Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series Z Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series Z Preferred Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series Z Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class

prepaid mail addressed to each holder of Series Z Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series Z Preferred Shares then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series Z Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series Z Preferred Shares outstanding from time to time

- (a) through the facilities of any stock exchange on which the Series Z Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series Z Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series Z Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series Z Preferred

Shares so tendered by each of the holders of Series Z Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series Z Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

(4) Redemption

(a) Subject to the provisions of paragraph (8), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series Z Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to

(i) \$25.00 in the case of a redemption on a Series Z Conversion Date or

(ii) \$25.50 in the case of a redemption on any other date

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series Z Preferred Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of each Series Z Preferred Share is the amount contemplated as the redemption amount.

(b) In any case of redemption of Series Z Preferred Shares under the provisions of this paragraph (4), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series Z Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series Z Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series Z Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series Z Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series Z Preferred Shares called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Series Z Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series Z Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to

redeem any Series Z Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series Z Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series Z Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the date immediately prior to the fifth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series Z Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the board of directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors so decides, such shares may be redeemed *pro rata* (disregarding fractions).

(5) Conversion into Series Y Preferred Shares

- (a) The Series Z Preferred Shares shall not be convertible prior to June 1, 2022. Holders of Series Z Preferred Shares shall have the right to convert on each Series Z Conversion Date, subject to the provisions hereof, all or any of their Series Z Preferred Shares into Series Y Preferred Shares on the basis of one Series Y Preferred Share for each Series Z Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series Z Conversion Date, give notice in writing to the then registered holders of the Series Z Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series Z Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series Z Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series Z Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2) (b).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series Z Preferred Shares of the redemption of all of the Series Z Preferred Shares, then the right of a holder of Series Z Preferred Shares to convert such Series Z Preferred Shares shall terminate and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series Z Preferred Shares shall not be entitled to convert their shares into Series Y Preferred Shares if the Corporation determines that there would remain outstanding on a Series Z Conversion Date less than 2,000,000 Series Y Preferred Shares, after having taken into account all Series Z Preferred Shares tendered for conversion into

Series Y Preferred Shares and all Series Y Preferred Shares tendered for conversion into Series Z Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (b) to all affected registered holders of the Series Z Preferred Shares at least seven days prior to the applicable Series Z Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series Z Conversion Date, at the expense of the Corporation, to such holders of Series Z Preferred Shares who have surrendered for conversion any certificate or certificates representing Series Z Preferred Shares, certificates representing the Series Z Preferred Shares represented by any certificate or certificates so surrendered.

- (d) If the Corporation determines that there would remain outstanding on a Series Z Conversion Date less than 2,000,000 Series Z Preferred Shares, after having taken into account all Series Z Preferred Shares tendered for conversion into Series Y Preferred Shares and all Series Y Preferred Shares tendered for conversion into Series Z Preferred Shares, then all of the remaining outstanding Series Z Preferred Shares shall be converted automatically into Series Y Preferred Shares on the basis of one Series Y Preferred Share for each Series Z Preferred Share on the applicable Series Z Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (b) to the registered holders of such remaining Series Z Preferred Shares at least seven days prior to the Series Z Conversion Date.
- (e) The conversion right may be exercised by a holder of Series Z Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series Y Conversion Notice**"), which notice shall be irrevocable and must be received by the transfer agent and registrar for the Series Z Preferred Shares at the principal office in Toronto of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series Z Conversion Date. The Series Y Conversion Notice shall indicate the number of Series Z Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of any applicable taxes. Except in the case where the Series Y Preferred Shares are in the Book-Based System, if the Series Y Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series Z Preferred Shares to be converted, the Series Y Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series Y Preferred Shares in some other name or names (the "**Series Y Transferee**") and stating the name or names (with addresses) accompanied by payment to the transfer agent and registrar of any transfer tax that may be payable by reason thereof and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series Y Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series Y Transferee to hold such Series Y Preferred Shares.
- (f) If all remaining outstanding Series Z Preferred Shares are to be converted into Series Y Preferred Shares on the applicable Series Z Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series Z Preferred Shares that holders have not previously elected to convert shall be converted on the Series Z Conversion Date into Series Y Preferred Shares and the holders thereof shall be deemed to be holders of Series Y Preferred Shares at 5:00 p.m. (Toronto time) on the Series Z Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series Z Preferred Shares not previously surrendered for

conversion, to receive a certificate or certificates representing the same number of Series Y Preferred Shares in the manner and subject to the provisions of this paragraph (5).

- (g) Subject to subparagraph (h) of this paragraph (5), as promptly as practicable after the Series Z Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series Y Preferred Shares registered in the name of the holders of the Series Z Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto of the transfer agent and registrar for the Series Z Preferred Shares of the certificate or certificates for the Series Z Preferred Shares to be converted. If a part only of such Series Z Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series Y Conversion Notice, the Series Z Preferred Shares converted into Series Y Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail to deliver to the holders of the Series Z Preferred Shares to be converted share certificates representing the Series Y Preferred Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series Y Preferred Shares upon conversion of any Series Z Preferred Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series Y Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series Y Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series Y Preferred Shares or is unable to deliver Series Z Preferred Shares.
- (i) The Corporation reserves the right not to deliver Series Y Preferred Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series Y Preferred Shares, and the Corporation shall attempt to sell such Series Y Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series Y Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series Y Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque.

(6) Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series Z Preferred Shares shall be entitled to receive \$25.00 per Series Z Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series Z Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or to the holders of any other shares ranking junior to the Series Z Preferred Shares. After payment to the holders of the Series Z Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Series Z Preferred Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay off less than all the Series Z Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series Z Preferred Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series Z Preferred Shares are outstanding the Corporation shall not

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series Z Preferred Shares) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Series Z Preferred Shares with respect to payment of dividends or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series Z Preferred Shares with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series Z Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series Z Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Series Z Preferred Shares without the prior approval of the holders of the Series Z Preferred Shares given as specified in paragraph (10), nor shall the number of Series Z Preferred Shares be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Second Preferred Shares and, if all dividends then payable on the Series Z Preferred Shares shall



have been paid or set apart for payment, from issuing additional series of Second Preferred Shares without such approval.

(10) Sanction by Holders of Series Z Preferred Shares

The approval of the holders of the Series Z Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series Z Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series Z Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series Z Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series Z Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series Z Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series Z Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series Z Preferred Shares. Notice of any such original meeting of the holders of the Series Z Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series Z Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series Z Preferred Shares held by such holder.

(11) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series Z Preferred Shares shall be required to pay tax on dividends received on the Series Z Preferred Shares under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(12) Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation

shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series Z Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (12). Holders of Series Z Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

(13) Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (13) and notwithstanding the provisions of paragraphs (1) through (12) of these share provisions, the Series Z Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series Z Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series Z Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (13), no beneficial holder of Series Z Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (12), so long as the System Operator is the registered holder of the Series Z Preferred Shares:
  - (i) the System Operator shall be considered the sole owner of the Series Z Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series Z Preferred Shares or the delivery of Series Z Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series Z Preferred Shares, the cash redemption price for the Series Z Preferred Shares or certificates for Series Z Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series Z Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series Z Preferred Shares from the Book-

Based System, then subparagraphs (a) and (b) of this paragraph (13) shall no longer be applicable to the Series Z Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series Z Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (12) and the exercise of rights of redemption and conversion are subject to the provisions of this paragraph (13), and to the extent that there is any inconsistency or conflict between such provisions the provisions of this paragraph (13) shall prevail.

(14) Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series Z Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series Z Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series Z Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series Z Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series Z Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(15) Amendments

The provisions of paragraphs (1) through (14) and of this paragraph (15), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Series Z Preferred Shares given as specified in paragraph (10) in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

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

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

Marcie Girouard

Director / Directeur

2012-06-14

Date of Amendment (YYYY-MM-DD)  
Date de modification (AAAA-MM-JJ)



# Articles of Amendment

(Sections 27 and 177 of the Canada Business Corporations Act (CBCA))

## Form 4

### Instructions

3 Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

A: If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

D: Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

### 4 Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the Privacy Act. However, public disclosure pursuant to section 266 of the CBCA is permitted under the Privacy Act.

If you require more information, please consult our web site at www.corporationscanada.ic.gc.ca or contact us at 613-941-9042 (Ottawa region) or toll-free at 1 866 333-5556 or by email at corporationscanada@ic.gc.ca.

### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

### Important Reminders

**Change of registered office address and/or mailing address:**

Complete and file Change of Registered Office Address (Form 3).

**Change of directors or changes of a director's address:**

Complete and file Changes Regarding Directors (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

File documents online (except for Articles of Amalgamation):

**Corporations Canada Online Filing Centre:**  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

or send documents by mail:

**Director General,**  
**Corporations Canada**  
**Jean Edmonds Tower South**  
**9th Floor**  
**365 Laurier Ave. West**  
**Ottawa ON K1A 0C8**

By Facsimile:  
**613-941-0999**

<b>1</b>	<b>Corporation name</b>
	Canadian Utilities Limited

<b>2</b>	<b>Corporation number</b>
	0105775

<b>3</b>	<b>The articles are amended as follows:</b> <b>(Please note that more than one section can be filled out)</b>
----------	--

**A:** The corporation changes its name to:

N/A

**B:** The corporation changes the province or territory in Canada where the registered office is located:  
**(Do not indicate the full address)**

N/A

**C:** The corporation changes the minimum and/or maximum number of directors to:

N/A

**D:** Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation to or any other provisions that are permitted by the CBCA to be set out in the Articles) **Please specify.**

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Series Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series AA", and limited in number to 6,000,000 shares, each such Cumulative Redeemable Second Preferred Shares Series AA having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

<b>4</b>	<b>Declaration</b>
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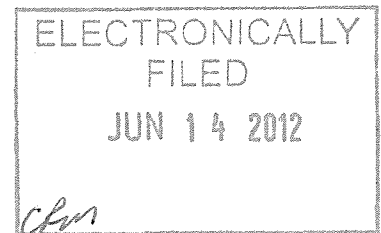
I hereby certify that I am a director or an officer of the corporation..

  
\_\_\_\_\_  
SIGNATURE

Carol Gear (403) 292-7435  
\_\_\_\_\_  
PRINT NAME TELEPHONE NUMBER

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

IC 3069 (2006/12)



## Schedule "A" to Articles of Amendment

Six Million (6,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series AA (the "**Second Preferred Shares Series AA**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series AA shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series AA shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.225 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on September 1, 2012. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series AA then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series AA shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series AA shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series AA outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series AA are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series AA outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series AA are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series AA so tendered by each of the holders of Second Preferred Shares Series AA who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series AA under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series AA or any of them prior to September 1, 2017. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series AA on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning September 1,</u>	<u>Redemption Price</u>
2017	\$26.00
2018	\$25.75
2019	\$25.50
2020	\$25.25
2021 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series AA under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series AA to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series AA. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series AA held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or

cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series AA to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series AA called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series AA shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series AA called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series AA, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series AA called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series AA in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series AA is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series AA shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series AA have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to September 1, 2017, and if such event commences after that date an additional amount equal to the premium which would be



payable as part of the redemption price of such Second Preferred Shares Series AA if such shares were to be redeemed in accordance with paragraph (3) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series AA in any respect. After payment to the holders of the Second Preferred Shares Series AA of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series AA are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series AA and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series AA then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series AA are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series AA) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series AA with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series AA with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series AA and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series AA with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series AA without the prior approval of the holders of the Second Preferred Shares Series AA given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series AA be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then

payable on the Second Preferred Shares Series AA shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series AA

The approval of the holders of the Second Preferred Shares Series AA with respect to any and all matters referred to in these Second Preferred Shares Series AA provisions may be given in writing by all of the holders of the Second Preferred Shares Series AA for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series AA duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series AA then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series AA then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series AA present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series AA then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series AA. Notice of any such original meeting of the holders of the Second Preferred Shares Series AA shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series AA present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series AA held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series AA will be required to pay tax on dividends received on the Second Preferred Shares Series AA under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series AA is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series AA given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Marcie Girouard

Director / Directeur

2012-07-03

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



# Form 4

## Articles of Amendment

(Sections 27 and 177 of the Canada Business Corporations Act (CBCA))

### Instructions

3 Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

A: If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

D: Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

### 4 Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

#### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the *Privacy Act*. However, public disclosure pursuant to section 266 of the CBCA is permitted under the *Privacy Act*.

If you require more information, please consult our web site at [www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca) or contact us at 1-866-941-9042 (Ottawa region) or toll-free at 1-866-333-5556 or by email at [corporationscanada@ic.gc.ca](mailto:corporationscanada@ic.gc.ca).

#### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

#### Important Reminders

##### Change of registered office address and/or mailing address:

Complete and file Change of Registered Office Address (Form 3).

##### Change of directors or changes of a director's address:

Complete and file Changes Regarding Directors (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

File documents online (except for Articles of Amalgamation):

**Corporations Canada Online Filing Centre:**  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

or send documents by mail:

**Director General,**  
**Corporations Canada**  
**Jean Edmonds Tower South**  
**9th Floor**  
**365 Laurier Ave. West**  
**Ottawa ON K1A 0C8**

By Facsimile:

**613-941-0999**

<b>1</b>	<b>Corporation name</b>
Canadian Utilities Limited	

<b>2</b>	<b>Corporation number</b>
0105775	

<b>3</b>	<b>The articles are amended as follows:</b> <b>(Please note that more than one section can be filled out)</b>
----------	--

**A:** The corporation changes its name to:

N/A

**B:** The corporation changes the province or territory in Canada where the registered office is located:  
**(Do not indicate the full address)**

N/A

**C:** The corporation changes the minimum and/or maximum number of directors to:

N/A

**D:** Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation to or any other provisions that are permitted by the CBCA to be set out in the Articles) **Please specify.**

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Series Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series BB", and limited in number to 6,000,000 shares, each such Cumulative Redeemable Second Preferred Shares Series BB having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

<b>4</b>	<b>Declaration</b>
----------	--------------------

I hereby certify that I am a director or an officer of the corporation..

*Carol Gear*

SIGNATURE

Carol Gear

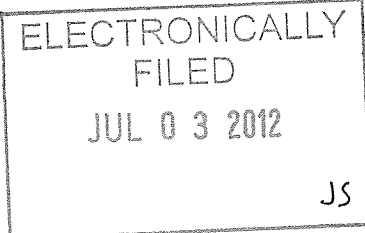
PRINT NAME

(403) 292-7435

TELEPHONE NUMBER

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

IC 3069 (2006/12)



## Schedule "A" to Articles of Amendment

Six Million (6,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series BB (the "**Second Preferred Shares Series BB**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series BB shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series BB shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.225 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on September 1, 2012. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series BB then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series BB shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series BB shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series BB outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series BB are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series BB outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series BB are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series BB so tendered by each of the holders of Second Preferred Shares Series BB who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series BB under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series BB or any of them prior to September 1, 2017. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series BB on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning September 1,</u>	<u>Redemption Price</u>
2017	\$26.00
2018	\$25.75
2019	\$25.50
2020	\$25.25
2021 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series BB under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series BB to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series BB. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series BB held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or

cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series BB to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series BB called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series BB shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series BB called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series BB, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series BB called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series BB in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series BB is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series BB shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid dividends thereon, which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends on the Second Preferred Shares Series BB have been paid up to but excluding the date of such distribution and, if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount as a premium equal to \$1.00 per share if such event commences prior to September 1, 2017, and if such event commences after that date an additional amount equal to the premium which would be



payable as part of the redemption price of such Second Preferred Shares Series BB if such shares were to be redeemed in accordance with paragraph (3) at the date of commencement of any such liquidation, dissolution, winding-up or distribution, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series BB in any respect. After payment to the holders of the Second Preferred Shares Series BB of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series BB are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series BB and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series BB then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series BB are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series BB) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series BB with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series BB with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series BB and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series BB with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series BB without the prior approval of the holders of the Second Preferred Shares Series BB given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series BB be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then

payable on the Second Preferred Shares Series BB shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series BB

The approval of the holders of the Second Preferred Shares Series BB with respect to any and all matters referred to in these Second Preferred Shares Series BB provisions may be given in writing by all of the holders of the Second Preferred Shares Series BB for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series BB duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series BB then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series BB then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series BB present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series BB then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series BB. Notice of any such original meeting of the holders of the Second Preferred Shares Series BB shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series BB present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series BB held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series BB will be required to pay tax on dividends received on the Second Preferred Shares Series BB under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series BB is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series BB given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Marcie Girouard

Director / Directeur

2013-05-14

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



## Articles of Amendment

(Sections 27 and 177 of the Canada Business Corporations Act (CBCA))

### Form 4

#### Instructions

**3** Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

A: If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

D: Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

#### 4 Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

#### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the *Privacy Act*. However, public disclosure pursuant to section 266 of the CBCA is permitted under the *Privacy Act*.

If you require more information, please consult our web site at [www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca) or contact us at 613-941-9042 (Ottawa region) or toll-free at 1 866 333-5556 or by email at [corporationscanada@ic.gc.ca](mailto:corporationscanada@ic.gc.ca).

#### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

#### Important Reminders

**Change of registered office address and/or mailing address:**

Complete and file Change of Registered Office Address (Form 3).

**Change of directors or changes of a director's address:**

Complete and file Changes Regarding Directors (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

File documents online

(except for Articles of Amalgamation):

**Corporations Canada Online Filing Centre:**  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

or send documents by mail:

**Director General,**  
**Corporations Canada**  
**Jean Edmonds Tower South**  
**9th Floor**  
**365 Laurier Ave. West**  
**Ottawa ON K1A 0C8**

By Facsimile:

**613-941-0999**

<b>1</b>	Corporation name
Canadian Utilities Limited	

<b>2</b>	Corporation number
105775	

<b>3</b>	The articles are amended as follows: (Please note that more than one section can be filled out)
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A: The corporation changes its name to:

B: The corporation changes the province or territory in Canada where the registered office is located:  
(Do not indicate the full address)

C: The corporation changes the minimum and/or maximum number of directors to:

D: Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation to or any other provisions that are permitted by the CBCA to be set out in the Articles) Please specify.

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series DD", and limited in number to 9,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series DD having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

<b>4</b>	Declaration
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I hereby certify that I am a director or an officer of the corporation..

*Carol Gear*

SIGNATURE

Carol Gear

PRINT NAME

403.292.7435

TELEPHONE NUMBER

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

IC 3069 (2006/12)

**ELECTRONICALLY FILED**

**MAY 14 2013**

**Canada**



Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series DD", and limited in number to 9,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series DD having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

#### **Schedule "A" to Articles of Amendment**

Nine Million (9,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series DD (the "**Second Preferred Shares Series DD**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series DD shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series DD shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.125 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on September 1, 2013. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series DD then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series DD shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series DD shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times

purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series DD outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series DD are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series DD outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series DD are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series DD so tendered by each of the holders of Second Preferred Shares Series DD who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series DD under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

- (a) The Corporation may not redeem the Second Preferred Shares Series DD or any of them prior to September 1, 2018. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series DD on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning September 1,</u>	<u>Redemption Price</u>
2018	\$26.00
2019	\$25.75
2020	\$25.50
2021	\$25.25
2022 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

- (b) In any case of redemption of Second Preferred Shares Series DD under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series DD to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series DD.



Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series DD held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series DD to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series DD called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series DD shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series DD called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series DD, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series DD called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series DD in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series DD is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up



In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series DD shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation) before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series DD in any respect. After payment to the holders of the Second Preferred Shares Series DD of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series DD are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series DD and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series DD then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series DD are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series DD) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series DD with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series DD with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series DD and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series DD with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series DD without the prior approval of the holders of the Second Preferred Shares Series DD given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series DD be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series DD shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series DD

The approval of the holders of the Second Preferred Shares Series DD with respect to any and all matters referred to in these Second Preferred Shares Series DD provisions may be given in writing by all of the holders of the Second Preferred Shares Series DD for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series DD duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series DD then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series DD then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series DD present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series DD then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series DD. Notice of any such original meeting of the holders of the Second Preferred Shares Series DD shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series DD present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series DD held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series DD will be required to pay tax on dividends received on the Second Preferred Shares Series DD under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day



If any day on which any dividend on the Second Preferred Shares Series DD is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series DD given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.

CUMULATIVE REDEMABLE  
SECOND PREFERRED SHARES SERIES DD

NUMBER	SPSDD-*
<b>CANADIAN UTILITIES LIMITED</b>	
INCORPORATED UNDER THE CANADA BUSINESS CORPORATIONS ACT	
SHARES	*

CUSIP 136717642  
ISIN CA 1367176429

THIS CERTIFIES THAT \_\_\_\_\_ is the registered holder of \* ( \* ) CUMULATIVE REDEMABLE SECOND PREFERRED SHARES SERIES DD in the capital of the Corporation, transferable on the securities register of the Corporation upon surrender of this certificate properly endorsed. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar of the Corporation.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by its duly authorized officers.

Dated: \_\_\_\_\_

SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER

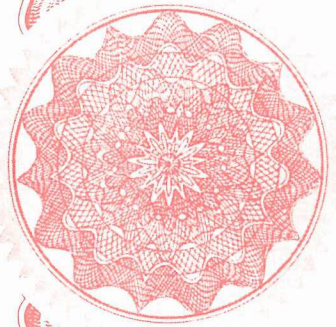
CORPORATE SECRETARY

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE TRANSFERABLE AT THE PRINCIPAL OFFICE OF CIBC MELLON TRUST COMPANY IN THE CITIES OF CALGARY AND TORONTO.

COUNTERSIGNED AND REGISTERED  
CIBC MELLON TRUST COMPANY  
TRANSFER AGENT AND REGISTRAR

CALGARY  
TORONTO

BY \_\_\_\_\_  
AUTHORIZED OFFICER





## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Marcie Girouard

Director / Directeur

2013-03-15

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



# Form 4

## Articles of Amendment

(Sections 27 and 177 of the Canada Business Corporations Act (CBCA))

### Instructions

3 Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

A: If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

D: Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

### 4 Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

#### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the Privacy Act. However, public disclosure pursuant to section 266 of the CBCA is permitted under the Privacy Act.

If you require more information, please consult our web site at www.corporationscanada.ic.gc.ca or contact us at 613-941-9042 (Ottawa region) or toll-free at 1 866 333-5556 or by email at corporationscanada@ic.gc.ca.

#### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

#### Important Reminders

##### Change of registered office address and/or mailing address:

Complete and file Change of Registered Office Address (Form 3).

##### Change of directors or changes of a director's address:

Complete and file Changes Regarding Directors (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

File documents online (except for Articles of Amalgamation):

**Corporations Canada Online Filing Centre:**  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

or send documents by mail:

**Director General,**  
**Corporations Canada**  
**Jean Edmonds Tower South**  
**9th Floor**  
**365 Laurier Ave. West**  
**Ottawa ON K1A 0C8**

By Facsimile:  
**613-941-0999**

<b>1</b>	<b>Corporation name</b>
	Canadian Utilities Limited

<b>2</b>	<b>Corporation number</b>
	105775

<b>3</b>	<b>The articles are amended as follows:</b> <b>(Please note that more than one section can be filled out)</b>
----------	--

**A:** The corporation changes its name to:

N/A

**B:** The corporation changes the province or territory in Canada where the registered office is located:  
**(Do not indicate the full address)**

N/A

**C:** The corporation changes the minimum and/or maximum number of directors to:

N/A

**D:** Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation to or any other provisions that are permitted by the CBCA to be set out in the Articles) **Please specify.**

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series CC", and limited in number to 7,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series CC having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

<b>4</b>	<b>Declaration</b>
----------	--------------------

I hereby certify that I am a director or an officer of the corporation.

SIGNATURE

Carol Gear

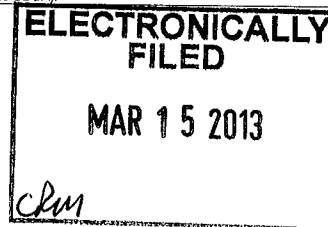
PRINT NAME

(403) 292-7435

TELEPHONE NUMBER

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

IC 3069 (2006/12)





## Schedule "A" to Articles of Amendment

Seven Million (7,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series CC (the "**Second Preferred Shares Series CC**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series CC shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series CC shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.125 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on June 1, 2013. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series CC then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series CC shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series CC shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series CC outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series CC are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series CC outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series CC are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series CC so tendered by each of the holders of Second Preferred Shares Series CC who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series CC under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series CC or any of them prior to June 1, 2018. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series CC on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning June 1,</u>	<u>Redemption Price</u>
2018	\$26.00
2019	\$25.75
2020	\$25.50
2021	\$25.25
2022 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

(b) In any case of redemption of Second Preferred Shares Series CC under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series CC to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series CC. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series CC held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or



cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series CC to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series CC called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series CC shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series CC called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series CC, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series CC called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series CC in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series CC is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series CC shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation) before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series CC in any respect. After payment to the holders of the Second Preferred Shares Series CC of the amount so payable to them, they shall not, as such,

be entitled to share in any further distribution of the property or assets of the Corporation. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series CC are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series CC and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series CC then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series CC are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series CC) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series CC with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series CC with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series CC and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series CC with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series CC without the prior approval of the holders of the Second Preferred Shares Series CC given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series CC be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series CC shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series CC

The approval of the holders of the Second Preferred Shares Series CC with respect to any and all matters referred to in these Second Preferred Shares Series CC provisions may be given in writing by all of the holders of the Second Preferred Shares Series CC for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series CC duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series CC then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series CC then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series CC present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series CC then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series CC. Notice of any such original meeting of the holders of the Second Preferred Shares Series CC shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series CC present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series CC held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series CC will be required to pay tax on dividends received on the Second Preferred Shares Series CC under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

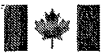
(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series CC is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the

prior approval of the holders of the Second Preferred Shares Series CC given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.



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

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

- 1 Corporate name  
Dénomination sociale  
CANADIAN UTILITIES LIMITED
- 2 Corporation number  
Numéro de la société  
010577-5
- 3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

The corporation amends the description of classes of shares as follows:  
La description des catégories d'actions est modifiée comme suit :  
See attached schedule / Voir l'annexe ci-jointe

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

Original signed by / Original signé par  
Carol Gear  
Carol Gear  
403-292-7435

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

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

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

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

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares Series CC", and limited in number to 7,000,000 shares, each such Cumulative Redeemable Second Preferred Share Series CC having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

#### Schedule "A" to Articles of Amendment

Seven Million (7,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series CC (the "**Second Preferred Shares Series CC**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series CC shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series CC shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.125 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on June 1, 2013. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series CC then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series CC shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series CC shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times

purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series CC outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series CC are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series CC outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series CC are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series CC so tendered by each of the holders of Second Preferred Shares Series CC who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series CC under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

- (a) The Corporation may not redeem the Second Preferred Shares Series CC or any of them prior to June 1, 2018. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series CC on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning June 1,</u>	<u>Redemption Price</u>
2018	\$26.00
2019	\$25.75
2020	\$25.50
2021	\$25.25
2022 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

- (b) In any case of redemption of Second Preferred Shares Series CC under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series CC to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series CC.

Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series CC held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series CC to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series CC called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series CC shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series CC called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series CC, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series CC called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series CC in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series CC is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up



In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series CC shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation) before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series CC in any respect. After payment to the holders of the Second Preferred Shares Series CC of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series CC are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series CC and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series CC then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series CC are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series CC) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series CC with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series CC with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series CC and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series CC with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series CC without the prior approval of the holders of the Second Preferred Shares Series CC given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series CC be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series CC shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series CC

The approval of the holders of the Second Preferred Shares Series CC with respect to any and all matters referred to in these Second Preferred Shares Series CC provisions may be given in writing by all of the holders of the Second Preferred Shares Series CC for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series CC duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series CC then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series CC then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series CC present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series CC then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series CC. Notice of any such original meeting of the holders of the Second Preferred Shares Series CC shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series CC present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series CC held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series CC will be required to pay tax on dividends received on the Second Preferred Shares Series CC under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series CC is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series CC given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

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

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

Virginie Ethier

Director / Directeur

2015-08-06

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



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

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

- 
- 1 Corporate name  
Dénomination sociale  
CANADIAN UTILITIES LIMITED
- 
- 2 Corporation number  
Numéro de la société  
010577-5
- 
- 3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

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

Original signed by / Original signé par  
Carol Gear  
\_\_\_\_\_  
Carol Gear  
403-292-7435

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

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

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

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

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of an additional series of Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares, Series EE", and limited in number to 5,000,000 shares, each such Cumulative Redeemable Second Preferred Share, Series EE having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

#### Schedule "A"

Five Million (5,000,000) shares of the Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series EE (the "**Second Preferred Shares Series EE**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series EE shall be as follows:

(1) Dividends

- (a) The holders of the Second Preferred Shares Series EE shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.3125 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on the first days of March, June, September and December (the "**dividend payment dates**") in each year. The first dividend, if declared, will be payable on December 1, 2015 in the amount of \$0.41712 per share. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series EE then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series EE shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.
- (b) The holders of the Second Preferred Shares Series EE shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.
- (c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Second Preferred Shares Series EE outstanding from time to time,

- (a) through the facilities of any stock exchange on which the Second Preferred Shares Series EE are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series EE outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series EE are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series EE so tendered by each of the holders of Second Preferred Shares Series EE who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series EE under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

(3) Redemption

- (a) The Corporation may not redeem the Second Preferred Shares Series EE or any of them prior to September 1, 2020. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series EE on payment of the following amounts (each a "**redemption price**") for each share to be redeemed:

<u>If redeemed in the 12 months beginning September 1</u>	<u>Redemption Price</u>
2020	\$26.00
2021	\$25.75
2022	\$25.50
2023	\$25.25
2024 and thereafter	\$25.00

together in each case with all accrued and unpaid cumulative preferential dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date of such redemption.

- (b) In any case of redemption of Second Preferred Shares Series EE under the provisions of this paragraph (3), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series EE to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series EE. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such

shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part, only of the Second Preferred Shares Series EE held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series EE to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series EE called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series EE shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series EE called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series EE, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series EE called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series EE in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act*, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series EE is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series EE shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid



cumulative preferential dividends thereon, up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series EE in any respect. After payment to the holders of the Second Preferred Shares Series EE of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series EE are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series EE and all the Series Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series EE then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series EE are outstanding the Corporation shall not

- (a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series EE) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series EE with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series EE with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series EE and on the Series Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series EE with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series EE without the prior approval of the holders of the Second Preferred Shares Series EE given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series EE be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then

payable on the Second Preferred Shares Series EE shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series EE

The approval of the holders of the Second Preferred Shares Series EE with respect to any and all matters referred to in these Second Preferred Shares Series EE provisions may be given in writing by all of the holders of the Second Preferred Shares Series EE for the time being outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series EE duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series EE then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series EE then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series EE present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series EE then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series EE. Notice of any such original meeting of the holders of the Second Preferred Shares Series EE shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series EE present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series EE held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Second Preferred Shares Series EE will be required to pay tax on dividends received on the Second Preferred Shares Series EE under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series EE is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series EE given as specified in paragraph (8), in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under sections 27 and 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes des articles 27 et 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Virginie Ethier

Director / Directeur

2015-09-23

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



- 
- 1 Corporate name  
Dénomination sociale  
CANADIAN UTILITIES LIMITED
- 
- 2 Corporation number  
Numéro de la société  
010577-5
- 
- 3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

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

Original signed by / Original signé par  
Carol Gear

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Carol Gear  
403-292-7435

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

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

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

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

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended by the creation of two additional series of Cumulative Redeemable Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares, Series FF" and "Cumulative Redeemable Second Preferred Shares, Series GG", each such Cumulative Redeemable Second Preferred Shares, Series FF and Cumulative Redeemable Second Preferred Shares, Series GG, to be limited in number to 10,000,000 shares and have attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule.

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## SCHEDULE

10,000,000 of the Second Preferred Shares are designated as Cumulative Redeemable Second Preferred Shares Series FF (the "**Series FF Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series FF Preferred Shares shall be as follows:

(1) Interpretation

- (a) In these Series FF Preferred Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.69%, provided that, in any event, such rate shall not be less than 4.50%;
  - (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR<INDEX> page on that service) for purposes of displaying Government of Canada bond yields;
  - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (v) "**Book-Entry Shares**" means Series FF Preferred Shares held through the Book-Based System;
  - (vi) "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada;
  - (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

- (viii) "**Class A non-voting shares**" means Class A non-voting shares of the Corporation;
- (ix) "**Class B common shares**" means Class B common shares of the Corporation;
- (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series FF Preferred Shares;
- (xi) "**Dividend Payment Date**" means March 1, June 1, September 1 or December 1 in any year;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.69%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada 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. (Toronto time) on such date and that 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, then the Government of Canada 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, that 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;
- (xvii) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series FF Preferred Shares to but excluding December 1, 2020;
- (xviii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xix) "**Participants**" means participants in the Book-Based System;

- (xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365;
  - (xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
  - (xxii) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year;
  - (xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
  - (xxiv) "**Second Preferred Shares**" means Series Second Preferred Shares of the Corporation;
  - (xxv) "**Series FF Conversion Date**" means December 1, 2020 and December 1 in every fifth year thereafter;
  - (xxvi) "**Series GG Preferred Shares**" means Cumulative Redeemable Second Preferred Shares Series GG of the Corporation;
  - (xxvii) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including December 1, 2020, to but excluding December 1, 2025, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding December 1 in the fifth year thereafter;
  - (xxviii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxix) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.
- (b) The expressions "**on a parity with**", "**ranking prior to**", "**ranking junior to**" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series FF Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.



(2) Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series FF Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.125 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on December 1, 2015, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.125 by the number of days in the period from and including the date of issue of the Series FF Preferred Shares to but excluding December 1, 2015, and dividing that product by 365.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series FF Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series FF Preferred Shares. The Corporation shall, on each 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 the then outstanding Series FF Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series FF Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series FF Preferred Shares then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy

such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

- (g) The holders of the Series FF Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series FF Preferred Shares outstanding from time to time

- (a) through the facilities of any stock exchange on which the Series FF Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series FF Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series FF Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series FF Preferred Shares so tendered by each of the holders of Series FF Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series FF Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

(4) Redemption

- (a) The Series FF Preferred Shares shall not be redeemable prior to December 1, 2020. Subject to the provisions of paragraph (7), on December 1, 2020, and on December 1 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series FF Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of each Series FF Preferred Share is the amount contemplated as the redemption amount.
- (b) In any case of redemption of Series FF Preferred Shares under the provisions of this paragraph (4), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series FF Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series FF Preferred Shares. Such notice

shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series FF Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series FF Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series FF Preferred Shares called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Series FF Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series FF Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series FF Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series FF Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series FF Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the date immediately prior to the fifth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series FF Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the board of directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors so decides, such shares may be redeemed *pro rata* (disregarding fractions).

(5) Conversion into Series GG Preferred Shares

- (a) The Series FF Preferred Shares shall not be convertible prior to December 1, 2020. Holders of Series FF Preferred Shares shall have the right to convert on each Series FF

Conversion Date, subject to the provisions hereof, all or any of their Series FF Preferred Shares into Series GG Preferred Shares on the basis of one Series GG Preferred Share for each Series FF Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series FF Conversion Date, give notice in writing to the then registered holders of the Series FF Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series FF Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series FF Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series FF Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2) (c).

- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series FF Preferred Shares of the redemption of all of the Series FF Preferred Shares, then the right of a holder of Series FF Preferred Shares to convert such Series FF Preferred Shares shall terminate and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series FF Preferred Shares shall not be entitled to convert their shares into Series GG Preferred Shares if the Corporation determines that there would remain outstanding on a Series FF Conversion Date less than 2,000,000 Series GG Preferred Shares, after having taken into account all Series FF Preferred Shares tendered for conversion into Series GG Preferred Shares and all Series GG Preferred Shares tendered for conversion into Series FF Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (c) to all affected registered holders of the Series FF Preferred Shares at least seven days prior to the applicable Series FF Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series FF Conversion Date, at the expense of the Corporation, to such holders of Series FF Preferred Shares who have surrendered for conversion any certificate or certificates representing Series FF Preferred Shares, certificates representing the Series FF Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series FF Conversion Date less than 2,000,000 Series FF Preferred Shares, after having taken into account all Series FF Preferred Shares tendered for conversion into Series GG Preferred Shares and all Series GG Preferred Shares tendered for conversion into Series FF Preferred Shares, then all of the remaining outstanding Series FF Preferred Shares shall be converted automatically into Series GG Preferred Shares on the basis of one Series GG Preferred Share for each Series FF Preferred Share on the applicable Series FF Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (c) to the registered holders of such remaining Series FF Preferred Shares at least seven days prior to the Series FF Conversion Date.
- (e) The conversion right may be exercised by a holder of Series FF Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series GG Conversion Notice**"), which notice shall be irrevocable and must be received by the transfer agent and registrar for the Series FF Preferred Shares at the principal office in Toronto of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00

p.m. (Toronto time) on the 15th day preceding, a Series FF Conversion Date. The Series GG Conversion Notice shall indicate the number of Series FF Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of any applicable taxes. Except in the case where the Series GG Preferred Shares are in the Book-Based System, if the Series GG Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series FF Preferred Shares to be converted, the Series GG Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series GG Preferred Shares in some other name or names (the "**Series GG Transferee**") and stating the name or names (with addresses) accompanied by payment to the transfer agent and registrar of any transfer tax that may be payable by reason thereof and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series GG Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series FF Transferee to hold such Series FF Preferred Shares.

- (f) If all remaining outstanding Series FF Preferred Shares are to be converted into Series GG Preferred Shares on the applicable Series FF Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series FF Preferred Shares that holders have not previously elected to convert shall be converted on the Series FF Conversion Date into Series GG Preferred Shares and the holders thereof shall be deemed to be holders of Series GG Preferred Shares at 5:00 p.m. (Toronto time) on the Series FF Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series FF Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series GG Preferred Shares in the manner and subject to the provisions of this paragraph (5).
- (g) Subject to subparagraph (h) of this paragraph (5), as promptly as practicable after the Series FF Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series GG Preferred Shares registered in the name of the holders of the Series FF Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto of the transfer agent and registrar for the Series FF Preferred Shares of the certificate or certificates for the Series FF Preferred Shares to be converted. If a part only of such Series FF Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series FF Conversion Notice, the Series FF Preferred Shares converted into Series GG Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail to deliver to the holders of the Series FF Preferred Shares to be converted share certificates representing the Series GG Preferred Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series GG Preferred Shares upon conversion of any Series FF Preferred Shares shall be deferred during the continuance of any one or more of the following events:

- (i) the issuing of such Series GG Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series GG Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series GG Preferred Shares or is unable to deliver Series GG Preferred Shares.
- (i) The Corporation reserves the right not to deliver Series GG Preferred Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series GG Preferred Shares, and the Corporation shall attempt to sell such Series GG Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series GG Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series GG Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque.

(6) Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series FF Preferred Shares shall be entitled to receive \$25.00 per Series FF Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series FF Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or to the holders of any other shares ranking junior to the Series FF Preferred Shares. After payment to the holders of the Series FF Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Series FF Preferred Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay off less than all the Series FF Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series FF Preferred Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series FF Preferred Shares are outstanding, the Corporation shall not

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series FF Preferred Shares) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Series FF Preferred Shares with respect to payment of dividends or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series FF Preferred Shares with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series FF Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series FF Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Series FF Preferred Shares without the prior approval of the holders of the Series FF Preferred Shares given as specified in paragraph (10), nor shall the number of Series FF Preferred Shares be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Second Preferred Shares and, if all dividends then payable on the Series FF Preferred Shares shall have been paid or set apart for payment, from issuing additional series of Second Preferred Shares without such approval.

(10) Sanction by Holders of Series FF Preferred Shares

The approval of the holders of the Series FF Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series FF Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series FF Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series FF Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series FF Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series FF Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series FF Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series FF Preferred Shares. Notice of any such original meeting of the holders of the Series FF Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice

of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series FF Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series FF Preferred Shares held by such holder.

(11) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series FF Preferred Shares shall be required to pay tax on dividends received on the Series FF Preferred Shares under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(12) Business Day

If any day on which any dividend on the Second Preferred Shares Series EE is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(13) Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series FF Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series FF Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.



(14) Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series FF Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series FF Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series FF Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (13), no beneficial holder of Series FF Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series FF Preferred Shares:
- (i) the System Operator shall be considered the sole owner of the Series FF Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series FF Preferred Shares or the delivery of Series FF Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series FF Preferred Shares, the cash redemption price for the Series FF Preferred Shares or certificates for Series FF Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series FF Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series FF Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series FF Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series FF Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions the provisions of this paragraph (14) shall prevail.

(15) Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series FF Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series FF Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series FF Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series FF Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series FF Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(16) Amendments

The provisions of paragraphs (1) through (15) and of this paragraph (16), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Series FF Preferred Shares given as specified in paragraph (10) in addition to any other approval required by the *Canada Business Corporations Act*.

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10,000,000 of the Second Preferred Shares are designated as Cumulative Redeemable Second Preferred Shares Series GG (the "**Series GG Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series GG Preferred Shares shall be as follows:

(1) Interpretation

- (a) In these Series GG Preferred Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate

Calculation Date and 3.69%, provided that, in any event, such rate shall not be less than 4.50%;

- (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR<INDEX> page on that service) for purposes of displaying Government of Canada bond yields;
- (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
- (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
- (v) "**Book-Entry Shares**" means Series GG Preferred Shares held through the Book-Based System;
- (vi) "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada;
- (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
- (viii) "**Class A non-voting shares**" means Class A non-voting shares of the Corporation;
- (ix) "**Class B common shares**" means Class B common shares of the Corporation;
- (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series GG Preferred Shares;
- (xi) "**Dividend Payment Date**" means March 1, June 1, September 1 or December 1 in any year;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.69%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

- (xvi) "**Government of Canada 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. (Toronto time) on such date and that 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, then the Government of Canada 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, that 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;
- (xvii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xviii) "**Participants**" means participants in the Book-Based System;
- (xix) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365;
- (xx) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxi) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year;
- (xxii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiii) "**Second Preferred Shares**" means Series Second Preferred Shares of the Corporation;
- (xxiv) "**Series FF Preferred Shares**" means Cumulative Redeemable Second Preferred Shares Series FF of the Corporation;
- (xxv) "**Series GG Conversion Date**" means December 1, 2025, and December 1 in every fifth year thereafter;
- (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including December 1, 2025, to but excluding December 1, 2030, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding December 1 in the fifth year thereafter;

(xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and

(xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

- (b) The expressions "**on a parity with**", "**ranking prior to**", "**ranking junior to**" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series GG Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

(2) Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series GG Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series GG Preferred Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series GG Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series GG Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series GG Preferred Shares then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture

securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series GG Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

(3) Purchase for Cancellation

Subject to the provisions of paragraph (7) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series GG Preferred Shares outstanding from time to time

- (a) through the facilities of any stock exchange on which the Series GG Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series GG Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series GG Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series GG Preferred Shares so tendered by each of the holders of Series GG Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series GG Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

(4) Redemption

- (a) Subject to the provisions of paragraph (7), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series GG Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to
  - (i) \$25.00 in the case of a redemption on a Series GG Conversion Date or
  - (ii) \$25.50 in the case of a redemption on any other date

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series GG Preferred Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of each Series GG Preferred Share is the amount contemplated as the redemption amount.

- (b) In any case of redemption of Series GG Preferred Shares under the provisions of this paragraph (4), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series GG Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series GG Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series GG Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series GG Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series GG Preferred Shares called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Series GG Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series GG Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series GG Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series GG Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series GG Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds

remaining on deposit on the date immediately prior to the fifth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series GG Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the board of directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors so decides, such shares may be redeemed *pro rata* (disregarding fractions).

(5) Conversion into Series FF Preferred Shares

- (a) The Series GG Preferred Shares shall not be convertible prior to December 1, 2025. Holders of Series GG Preferred Shares shall have the right to convert on each Series GG Conversion Date, subject to the provisions hereof, all or any of their Series GG Preferred Shares into Series FF Preferred Shares on the basis of one Series FF Preferred Share for each Series GG Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series GG Conversion Date, give notice in writing to the then registered holders of the Series GG Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series GG Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series GG Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series GG Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2) (b).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series GG Preferred Shares of the redemption of all of the Series GG Preferred Shares, then the right of a holder of Series GG Preferred Shares to convert such Series GG Preferred Shares shall terminate and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series GG Preferred Shares shall not be entitled to convert their shares into Series FF Preferred Shares if the Corporation determines that there would remain outstanding on a Series GG Conversion Date less than 2,000,000 Series FF Preferred Shares, after having taken into account all Series FF Preferred Shares tendered for conversion into Series GG Preferred Shares and all Series GG Preferred Shares tendered for conversion into Series FF Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (b) to all affected registered holders of the Series GG Preferred Shares at least seven days prior to the applicable Series GG Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series GG Conversion Date, at the expense of the Corporation, to such holders of Series GG Preferred Shares who have surrendered for conversion any certificate or certificates representing Series GG Preferred Shares, certificates representing the Series GG Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series GG Conversion Date less than 2,000,000 Series GG Preferred Shares, after having taken into account all Series GG Preferred Shares tendered for conversion into Series FF Preferred



Shares and all Series FF Preferred Shares tendered for conversion into Series GG Preferred Shares, then all of the remaining outstanding Series GG Preferred Shares shall be converted automatically into Series FF Preferred Shares on the basis of one Series FF Preferred Share for each Series GG Preferred Share on the applicable Series GG Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2) (b) to the registered holders of such remaining Series GG Preferred Shares at least seven days prior to the Series GG Conversion Date.

- (e) The conversion right may be exercised by a holder of Series GG Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series FF Conversion Notice**"), which notice shall be irrevocable and must be received by the transfer agent and registrar for the Series GG Preferred Shares at the principal office in Toronto of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series GG Conversion Date. The Series FF Conversion Notice shall indicate the number of Series GG Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of any applicable taxes. Except in the case where the Series FF Preferred Shares are in the Book-Based System, if the Series FF Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series GG Preferred Shares to be converted, the Series FF Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series FF Preferred Shares in some other name or names (the "**Series FF Transferee**") and stating the name or names (with addresses) accompanied by payment to the transfer agent and registrar of any transfer tax that may be payable by reason thereof and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series FF Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series FF Transferee to hold such Series FF Preferred Shares.
- (f) If all remaining outstanding Series GG Preferred Shares are to be converted into Series FF Preferred Shares on the applicable Series GG Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series GG Preferred Shares that holders have not previously elected to convert shall be converted on the Series GG Conversion Date into Series FF Preferred Shares and the holders thereof shall be deemed to be holders of Series FF Preferred Shares at 5:00 p.m. (Toronto time) on the Series GG Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series GG Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series FF Preferred Shares in the manner and subject to the provisions of this paragraph (5).
- (g) Subject to subparagraph (h) of this paragraph (5), as promptly as practicable after the Series GG Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series FF Preferred Shares registered in the name of the holders of the Series GG Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto of the transfer agent and registrar for the Series GG Preferred Shares of the certificate or certificates for the Series GG Preferred Shares to be converted. If a part only of such Series GG Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series GG Conversion Notice, the Series GG Preferred Shares converted

into Series FF Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail to deliver to the holders of the Series FF Preferred Shares to be converted share certificates representing the Series GG Preferred Shares into which such shares have been converted.

- (h) The obligation of the Corporation to issue Series FF Preferred Shares upon conversion of any Series GG Preferred Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series FF Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series FF Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series FF Preferred Shares or is unable to deliver Series FF Preferred Shares.
- (i) The Corporation reserves the right not to deliver Series FF Preferred Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series FF Preferred Shares, and the Corporation shall attempt to sell such Series FF Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series FF Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series FF Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque.

(6) Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series GG Preferred Shares shall be entitled to receive \$25.00 per Series GG Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series GG Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares of the Corporation or to the holders of any other shares ranking junior to the Series GG Preferred Shares. After payment to the holders of the Series GG Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

(7) Restrictions on Partial Redemption or Purchase

So long as any of the Series GG Preferred Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay off less than all the Series GG Preferred Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series GG Preferred Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(8) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series GG Preferred Shares are outstanding, the Corporation shall not

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series GG Preferred Shares) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Series GG Preferred Shares with respect to payment of dividends or
- (b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Series GG Preferred Shares with respect to repayment of capital or with respect to payment of dividends

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series GG Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series GG Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs (a) and (b).

(9) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Series GG Preferred Shares without the prior approval of the holders of the Series GG Preferred Shares given as specified in paragraph (10), nor shall the number of Series GG Preferred Shares be increased without such approval; provided, however, that nothing in this paragraph (9) shall prevent the Corporation from creating additional series of Second Preferred Shares and, if all dividends then payable on the Series GG Preferred Shares shall have been paid or set apart for payment, from issuing additional series of Second Preferred Shares without such approval.

(10) Sanction by Holders of Series GG Preferred Shares

The approval of the holders of the Series GG Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series GG Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series GG Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series GG Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series GG Preferred Shares then outstanding are not present in person or

so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series GG Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series GG Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series GG Preferred Shares. Notice of any such original meeting of the holders of the Series GG Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series GG Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series GG Preferred Shares held by such holder.

(11) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series GG Preferred Shares shall be required to pay tax on dividends received on the Series GG Preferred Shares under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(12) Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series GG Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (12). Holders of Series GG Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

(13) Business Day

If any day on which any dividend on the Second Preferred Shares Series EE is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Canada), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(14) Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series GG Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series GG Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series GG Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series GG Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series GG Preferred Shares:
- (i) the System Operator shall be considered the sole owner of the Series GG Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series GG Preferred Shares or the delivery of Series GG Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series GG Preferred Shares, the cash redemption price for the Series GG Preferred Shares or certificates for Series GG Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series GG Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series GG Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series GG Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series GG Preferred Shares accompanied by registration instructions for re-registration, the

Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions the provisions of this paragraph (14) shall prevail.

(15) Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series GG Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series GG Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series GG Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series GG Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series GG Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(16) Amendments

The provisions of paragraphs (1) through (15) and of this paragraph (16), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Series GG Preferred Shares given as specified in paragraph (10) in addition to any other approval required by the *Canada Business Corporations Act*.



## Certificate of Amendment

*Canada Business Corporations Act*

## Certificat de modification

*Loi canadienne sur les sociétés par actions*

CANADIAN UTILITIES LIMITED

Corporate name / Dénomination sociale

010577-5

Corporation number / Numéro de société

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

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

Isabelle Foley

Deputy Director / Directeur adjoint

2021-12-06

Date of amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



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

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

1 Corporate name  
Dénomination sociale  
**CANADIAN UTILITIES LIMITED**

2 Corporation number  
Numéro de la société  
**010577-5**

3 The articles are amended as follows  
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

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

Original signed by / Original signé par

**Brian Shkrobot**

**Brian Shkrobot**

**403.292.7435**

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

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

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

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



**Schedule / Annexe**  
**Amendment Schedules / Annexes - Modification**

Pursuant to subsection 27(4) of the Canada Business Corporations Act, the articles of the Corporation are hereby amended by the creation of an additional series of Series Second Preferred Shares, to be designated as "Cumulative Redeemable Second Preferred Shares, Series HH", and limited in number to 8,050,000 shares, each such Cumulative Redeemable Second Preferred Shares, Series HH having attached thereto the rights, privileges, restrictions and conditions as set out in the attached Schedule "A".

Schedule "A"

Eight million and fifty thousand (8,050,000) shares of the Series Second Preferred Shares are designated Cumulative Redeemable Second Preferred Shares Series HH (the "Second Preferred Shares Series HH"). In addition to the rights, privileges, restrictions and conditions attaching to the Series Second Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares Series HH shall be as follows:

(1) Dividends

(a) The holders of the Second Preferred Shares Series HH shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.1875 per share, or at such higher annual rate per share as the directors of the Corporation may determine as hereinafter provided, payable quarterly on a cumulative basis on the first day of March, June, September and December (the "dividend payment dates") of each year. The first dividend, if declared, will be payable on March 1, 2022 in the amount of \$0.26678 per share. If on any dividend payment date the dividend payable on such date is not paid in full on all of the Second Preferred Shares Series HH then issued and outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture, securing bonds, debentures or other securities of the Corporation, to the payment of the dividend. Fixed cumulative preferential cash dividends on the Second Preferred Shares Series HH shall accrue from such date or dates as may in the case of each issue be determined by the directors or, in case no date is so determined, from the date of issue.

(b) The holders of the Second Preferred Shares Series HH shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided.

(c) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(2) Purchase for Cancellation

Subject to the provisions of paragraph (5) and subject to such of the provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase for cancellation all or any part of the Second Preferred Shares Series HH outstanding from time to time,

(a) through the facilities of any stock exchange on which the Second Preferred Shares Series HH are listed,

(b) by invitation for tenders addressed to all the holders of record of the Second Preferred Shares Series HH outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the board of directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (2) more Second Preferred Shares Series HH are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and, if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at such price will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Second Preferred Shares Series HH so tendered by each of the holders of Second Preferred Shares Series HH who submit tenders at that price. From and after the date of purchase of any Second Preferred Shares Series HH under the provisions of this paragraph (2), the shares so purchased shall then be and be deemed to be redeemed and shall be cancelled.

### (3) Redemption

(a) The Corporation may not redeem the Second Preferred Shares Series HH or any of them prior to March 1, 2027. Subject to the foregoing and to the provisions of paragraph (5), the Corporation may in the manner provided in paragraph (3)(b) redeem at any time the whole or from time to time any part of the then outstanding Second Preferred Shares Series HH, at the Corporation's option, on payment of the following amounts (each a "redemption price") for each share to be redeemed:

If redeemed in the 12 months beginning March 1,	Redemption Price
2027	\$26.00
2028	\$25.75
2029	\$25.50
2030	\$25.25
2031 and thereafter	\$25.00

in each case together with all accrued and unpaid dividends on such shares which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid on such shares up to but excluding the date fixed for redemption.

(b) In any case of redemption of Second Preferred Shares Series HH under the provisions of this paragraph (3), the Corporation shall on not less than 30 days and not more than 60 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Second Preferred Shares Series HH to be redeemed a written notice of the intention of the Corporation to redeem such Second Preferred Shares Series HH. Such a notice shall be mailed in a prepaid letter addressed to each such shareholder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and accrued and unpaid dividends and the date on which redemption is to take place and if part only of the Second Preferred Shares Series HH held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Second Preferred Shares Series HH to be redeemed the redemption price plus accrued and unpaid dividends on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Second Preferred Shares Series HH called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. Such Second Preferred Shares Series HH shall then be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Second Preferred Shares Series HH called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price plus accrued and unpaid dividends shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Second Preferred Shares Series HH, to deposit the redemption price of the shares so called for redemption, or of such of the shares represented by certificates which have not at the date of such deposit been surrendered by the holders in connection with such redemption, together with accrued and unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Second Preferred Shares Series HH called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Second Preferred Shares Series HH in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be cancelled and the rights of the holders after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act, as may be applicable, in case a part only of the then outstanding Second Preferred Shares Series HH is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors or the transfer agent, if any, appointed by the Corporation in respect of such shares shall decide or, if the directors so decide, such shares may be redeemed pro rata (disregarding fractions).

(4) Liquidation Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Second Preferred Shares Series HH shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid cumulative preferential dividends thereon, up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Class A non-voting shares or Class B common shares or to the holders of any other shares ranking junior to the Second Preferred Shares Series HH in any respect. After payment to the holders of the Second Preferred Shares Series HH of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation. The Series Second Preferred Shares of each series rank equally with the Series Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation.

(5) Restrictions on Partial Redemption or Purchase

So long as any of the Second Preferred Shares Series HH are outstanding, the Corporation shall not call for redemption or purchase or reduce or otherwise pay off less than all the Second Preferred Shares Series HH and all the Series Second Preferred Shares and all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series HH then outstanding with respect to payment of dividends, unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

(6) Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Second Preferred Shares Series HH are outstanding the Corporation shall not

(a) declare or pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Second Preferred Shares Series HH) on the Class A non-voting shares or Class B common shares or any other shares of the Corporation ranking junior to the Second Preferred Shares Series HH with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay off any shares of the Corporation ranking junior to the Second Preferred Shares Series HH with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding respective dividend payment dates on the Second Preferred Shares Series HH and on all other preferred shares ranking prior to or on a parity with the Second Preferred Shares Series HH with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in the

foregoing subparagraphs (a) and (b).

(7) Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on a parity with the Second Preferred Shares Series HH without the prior approval of the holders of the Second Preferred Shares Series HH given as specified in paragraph (8), nor shall the number of Second Preferred Shares Series HH be increased without such approval; provided, however, that nothing in this paragraph (7) shall prevent the Corporation from creating additional series of Series Second Preferred Shares and, if all dividends then payable on the Second Preferred Shares Series HH shall have been paid or set apart for payment, from issuing additional series of Series Second Preferred Shares without such approval.

(8) Sanction by Holders of Second Preferred Shares Series HH

The approval of the holders of the Second Preferred Shares Series HH with respect to any and all matters referred to in these Second Preferred Shares Series HH provisions may be given in writing by all of the holders of the Second Preferred Shares Series HH then outstanding or by resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at a meeting of the holders of the Second Preferred Shares Series HH duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Second Preferred Shares Series HH then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Second Preferred Shares Series HH then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Second Preferred Shares Series HH present in person or so represented by proxy, whether or not they hold a majority of all Second Preferred Shares Series HH then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Second Preferred Shares Series HH. Notice of any such original meeting of the holders of the Second Preferred Shares Series HH shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Second Preferred Shares Series HH present in person or represented by proxy shall be entitled to one (1) vote in respect of each of the Second Preferred Shares Series HH held by such holder.

(9) Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no corporate holder of Second Preferred Shares Series HH will be required to pay tax on dividends received (or deemed to be received) on the Second Preferred Shares Series HH under section 187.2 or Part IV.1 of such Act or any successor or replacement provision of similar effect.

(10) Business Day

If any day on which any dividend on the Second Preferred Shares Series HH is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day (being a day other than a Saturday, a Sunday or any other day that is a national holiday in Calgary, Alberta or Toronto, Ontario), then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(11) Amendments

The provisions of paragraphs (1) to (10), inclusive, and of this paragraph (11), or any of them, may be deleted, varied, modified, amended or amplified by articles of amendment only with the prior approval of the holders of the Second Preferred Shares Series HH given as specified in paragraph (8), in addition to any other approval required by the Canada Business Corporations Act.