

Ministère des
Services gouvernementaux

1887903

Ontario
CERTIFICATE
This is to certify that these articles
are effective on

CERTIFICAT
Ceci certifie que les présents statuts
entrent en vigueur le

JANUARY 01 JANVIER, 2013

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Form 4
Business
Corporations
Act

Formule 4
Loi sur les
sociétés par
actions

**ARTICLES OF AMALGAMATION
STATUTS DE FUSION**

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société issue de la fusion: (Écrire en LETTRES MAJUSCULES SEULEMENT) :

N	O	R	T	H	L	A	N	D	P	O	W	E	R	I	N	C	.								

2. The address of the registered off ce is:
Adresse du siège social :

30 St. Clair Avenue West, Suite 1700

Street & Number or R.R. Number & if Multi-Off ce Building give Room No. /
Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau

Toronto

Name of Municipality or Post Office /
Nom de la municipalité ou du bureau de poste

ONTARIO

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Postal Code/Code postal

3. Number of directors is:
Nombre d'administrateurs :

Fixed number
Nombre fixe

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OR minimum and maximum
OU minimum et maximum

3	9
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4. The director(s) is/are: / Administrateur(s) :

First name, middle names and surname Prénom, autres prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal	Resident Canadian State 'Yes' or 'No' Résident canadien Oui/Non
James C. Temerty	30 St. Clair Avenue West Suite 1700 Toronto, Ontario M4V 3A1	Yes
John N. Turner	40 King Street West Suite 5800 Toronto, Ontario M5H 3S1	Yes
Linda L. Bertoldi	40 King Street West Suite 4400 Toronto, Ontario M5H 3Y4	Yes

4. The director(s) is/are:
Administrateur(s) :

First name, middle names and surname <i>Prénom, autres prénoms et nom de famille</i>	Address for services, giving street & No. or R.R. No., Municipality, Province, Country and Postal code. <i>Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal</i>	Resident Canadian State 'Yes' or 'No' <i>Résident canadien Oui/Non</i>
Marie Bountrogianni	428 Golflinks Road Ancaster, Ontario L9G 3K5	Yes
Sean Durfy	4612 5th Street SW Calgary, Alberta T2S 2E6	Yes
Pierre R. Gloutney	147 1st Boulevard Terrasse Vaudreuil, Quebec J7V 5T2	Yes
V. Peter Harder	99 Bank Street, Suite 1420 Ottawa, Ontario K1P 1H4	Yes

5. Method of amalgamation, check A or B
Méthode choisie pour la fusion – Cocher A ou B :

A- Amalgamation Agreement / Convention de fusion :

The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B- Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :

The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

NORTHLAND POWER INC.

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
NORTHLAND POWER INC.	1836239	2012	12	13
THOROLD COGEN MANAGEMENT INC.	1705620	2012	12	20
SAINT-ULRIC SAINT-LEANDRE WIND INC./EOLIENNES SAINT-ULRIC SAINT-LEANDRE INC.	1816397	2012	12	20
NORTHLAND POWER WIND GP I INC./EOLIENNES NORTHLAND POWER GP I INC.	1886114	2012	12	20

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

There shall be no restrictions on the business that the corporation may carry on or the powers that the corporation may exercise.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The classes and any maximum number of shares that the corporation is authorized to issue are:

- (a) an unlimited number of Common Shares;
- (b) 42,478,451 Class A Shares;
- (c) 8,067,723 Class B Convertible Shares;
- (d) 8,496,078 Class C Convertible Shares; and
- (e) an unlimited number of Preferred Shares, issuable in series.

The first series of Preferred Shares shall consist of up to 6,000,000 Preferred Shares, which shares shall be designated as Cumulative Rate Reset Preferred Shares, Series 1.

The second series of Preferred Shares shall consist of up to 6,000,000 Preferred Shares, which shares shall be designated as Cumulative Floating Rate Preferred Shares, Series 2.

The third series of Preferred Shares shall consist of up to 4,800,000 Preferred Shares, which shares shall be designated as Cumulative Rate Reset Preferred Shares, Series 3.

The fourth series of Preferred Shares shall consist of up to 4,800,000 Preferred Shares, which shares shall be designated as Cumulative Floating Rate Preferred Shares, Series 4.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série:

PART A
Common Shares, Class A Shares, Class B Convertible Shares and
Class C Convertible Shares

DEFINITIONS FOR THE PURPOSE OF THIS PART A:

“Acquisition Development Project” means an electricity generation project which was developed and owned by a third party, the acquisition of which has been the subject of substantive discussions by NPI with the owner prior to April 23, 2009 in accordance with a list provided to the Board of Trustees of the Fund on April 23, 2009.

“Allocation Percentage” means, for purposes of Subsection VI(b) and the conversion of Class B Convertible Shares, (i) in respect of that portion of the Development Profit attributable to the Threshold Project that caused the aggregate realized Development Profit to exceed \$100,000,000 and the Development Profit attributable to any Qualifying Project for which a Power Purchase Agreement has been Attained within one year after the PPA Attainment Date of the Threshold Project, 40%; and (ii) in respect of the Development Profit attributable to any other Qualifying Project, 20%.

“Appointment Rights” means the rights of the holders of the Class A Shares and Class C Convertible Shares to elect a specified number of directors as described in Section V.

“Attain” or “Attained” means, in respect of a Power Purchase Agreement, that (i) the Power Purchase Agreement has been executed and delivered by the Qualified Offtaker and the Project Entity; (ii) the Qualified Offtaker has offered to enter into a Power Purchase Agreement with the Project Entity within 60 Business Days of the acceptance of such offer by the Project Entity and the Project Entity has communicated its acceptance in writing of such offer to the Qualified Offtaker provided that if the Power Purchase Agreement is not executed within such 60 Business Day period, the Power Purchase Agreement will be deemed not to have been Attained until such time as it is executed by the Qualified Offtaker and the Project Entity; or (iii) the Qualified Offtaker has confirmed in writing to the Project Entity that the Project Entity has met the eligibility requirements of the feed-in tariff established pursuant to the *Green Energy and Green Economy Act 2009* (Ontario), as enacted and as may be amended or replaced from time to time, and that the Qualified Offtaker will enter into a Power Purchase Agreement with the Project Entity within 60 Business Days of the date of such written confirmation provided that if the Power Purchase Agreement is not executed within such 60 Business Day period, the Power Purchase Agreement will be deemed not to have been Attained until such time as it is executed by the Qualified Offtaker and the Project Entity.

“Board” means the board of directors of the Corporation.

“Business Day” means a day which is not a Saturday, Sunday or legal holiday in the Province of Ontario.

“Capitalized Development Costs” means, in respect of any development project, development costs which have been incurred by the Corporation, the Fund, NPI, the Project

Entity or any affiliate in respect of the project and which have been capitalized in the financial statements of the Corporation.

“Class A Conversion Rate” means the number of Common Shares into which the Class A Shares may be converted at the particular time, which is initially one, as such number may be adjusted from time to time in accordance with Section VII.

“Class B and C Conversion Rate” means the number of Class A Shares into which the Class B Convertible Shares and Class C Convertible Shares may be converted at the particular time, which is initially one, as such number may be adjusted from time to time in accordance with Section VII.

“Class B Conversion Share Market Price” means the higher of (i) \$10.06; and (ii) the volume weighted average trading price of the Common Shares quoted on the TSX for the 20 trading days immediately prior to the date of announcement of the Power Purchase Agreement for the applicable Qualifying Project, provided that, if prior to such date, the Corporation has taken any action affecting the Common Shares, including any action described in Paragraph 5 of Subsection VI(b), which in the reasonable opinion of the Board would materially affect the trading price or value of the Common Shares, such other price or value as the Board may reasonably determine to be equitable in the circumstances.

“Class B Eligibility Date” means July 16, 2015.

“Class C Eligibility Date” means July 16, 2014.

“Closing Date” means July 16, 2009.

“COD” means, in respect of any Qualifying Project, the date as of which all of the following have been achieved: (i) substantial completion of the project under the applicable construction contract(s), (ii) plant performance tests have been satisfactorily completed or waived, and (iii) all conditions precedent to the commencement of the term of the applicable Power Purchase Agreement and major supply contracts have been met, in each case as applicable.

“Control” has the meaning given to that term in the *Securities Act* (Ontario) and **“Controlled”** has the analogous meaning.

“Conversion Date” means January 16, 2012.

“Corporation’s Pro Rata Percentage” means the percentage of all outstanding Equity Interests in a Project Entity which the Equity Interest owned directly or indirectly by the Corporation represents.

“Current Market Price” means the volume weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding the date of determination on the TSX (or, if the Common Shares are not listed thereon, on such stock exchange on which the Common Shares are listed as may be selected for such purpose by the Board, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market; provided further that if the Common Shares are not then listed on any stock exchange or traded on any over-the-counter market, the Current Market Price shall be the fair market value of the Common Shares as at such date as determined by an independent nationally-recognized investment dealer selected by the Corporation). The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Common Shares so sold during such period.

“Development Losses” means, in respect of any development project which has been abandoned or terminated by the Fund or the Corporation after the Closing Date, any Capitalized Development Costs relating to the project which were incurred after the Closing Date but which have been written off, all as confirmed by the auditors of the Corporation for purposes of the Corporation’s annual audited financial statements.

“Development Profit” means, in respect of any Qualifying Project for which the Eligibility Conditions have been satisfied, the difference between the Corporation’s Pro Rata Percentage of Fair Market Value of the Qualifying Project and the Corporation’s Pro Rata Percentage of the Project Cost of that Qualifying Project as measured at the Valuation Date.

“Development Projects” means the following projects:

Name of Development Project	Location of Development Project	Estimated Size of Development Project
Oshawa Cogeneration Project	Oshawa, Ontario	50-200 MW
Quebec Community and First Nations Wind	Quebec (8 locations)	200 MW
Manitoulin Wind	Manitoulin Island, Ontario	50-72 MW
Clarkson Baseload (GTA SW)	Mississauga, Ontario	850 MW
Saskatchewan Peaking Plant	Saskatchewan	100 MW
Saskatchewan Baseload Plant	Saskatchewan	280 MW
Other Ontario Wind	Ontario (2 locations)	130 MW
Kabinakagami Hydro Project	Kabinakagami River, Ontario	60 MW
Cambridge Peaking Plant	Cambridge, Ontario	450 MW
Hydro Pumped Storage	Several sites in Ontario	200-1200 MW
Ontario Solar	Various locations across Ontario	100-300 MW
Other Quebec Wind	Various locations across Quebec	1000 MW
Hydrokinetics	Across North America	Unknown
Toronto Waterfront District Heating	Toronto, Ontario	10-50 MW

Name of Development Project	Location of Development Project	Estimated Size of Development Project
Rooftop Solar PV Program	Across Canada	Unknown

“**Eligibility Conditions**” means, in respect of any Qualifying Project, (i) the project has achieved COD or (ii) the Qualifying Project (or an ownership interest therein) has been sold by the Corporation prior to achieving COD.

“**Equity Interest**” means, in respect of any Project Entity, any and all shares, units, trust units, partnership or other equity interests, participations or other equivalent rights in that Project Entity’s equity capital, however designated and whether voting or non-voting.

“**Fair Market Value**” means, for the purpose of calculating the Development Profit of any Qualifying Project, the midpoint of the fair market value valuation range for that Qualifying Project determined by the Financial Advisor as at the Valuation Date using such assumptions and valuation methodologies as it deems appropriate or, in the case of a Qualifying Project (or an ownership interest therein) which is sold prior to achieving COD, the net after-tax proceeds received or receivable (directly or indirectly) by the Corporation on the sale.

“**Financial Advisor**” means an independent financial advisor with power sector expertise selected by the Independent Directors from the investment banking group of a major Canadian or international bank.

“**Fund**” means Northland Power Income Fund, an unincorporated trust created under the laws of the Province of Ontario and to be dissolved effective on or about January 1, 2011.

“**Grandfathered Projects**” means the Mont Louis Project and the Jardin Project Buildout.

“**Hold**” means to beneficially own or have control or direction over and “**Held**” has the analogous meaning.

“**Holder**” means the holder from time to time of a Class B Convertible Share or Class C Convertible Share, as applicable.

“**Independent Directors**” means those directors of the Corporation who are independent of the Holder.

“**Jardin Project**” means the 127.5 MW wind farm project located in or near Saint-Ulric, Saint-Léandre and Matane, Quebec.

“**Jardin Project Buildout**” means the installation of additional wind turbines up to and including an additional 22.5 MW capacity in excess of the existing 127.5 MW capacity at the Jardin Project.

“**LDC**” means an electricity distributor licensed as such by the Ontario Energy Board or any other applicable licensing or regulatory authority in any applicable jurisdiction.

“**Mont Louis Project**” means the wind farm project to be located near Mont Louis, Quebec with a capacity of up to and including 100.5 MW.

“**NPHI**” means Northland Power Holdings Inc., an Ontario corporation.

“**NPHI Held Common Shares**” means those Common Shares Held by NPHI and/or James C. Temerty for which NPHI has provided to the Board such reasonable evidence as the Board may require regarding the ownership of the Common Shares Held by NPHI and James C.

Temerty together with an undertaking from the registered holder thereof not to exercise the voting rights attached to such Common Shares in connection with the election of directors.

“**NPHI Share Percentage**” means the number expressed as a percentage determined as follows:

$$\frac{A + C + N}{A + C + D} \times 100$$

where

A = the number of votes attached to the Class A Shares outstanding;
C = the number of votes attached to the Class C Convertible Shares outstanding;

N = the number of votes attached to the NPHI Held Common Shares; and
D = the number of votes attached to the Common Shares outstanding.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**NPI**” means Northland Power Inc., an Ontario corporation and a predecessor of the Corporation.

“**Number of Value-realized Class B Convertible Shares**” has the meaning ascribed thereto in Subsection VI(b)2.

“**Number of Value-realized Class C Convertible Shares**” has the meaning ascribed thereto in Subsection VI(c)1.

“**Policy Decision**” means a policy decision taken by the Board which represents a change in the Corporation’s policy on dividends or reinvestment of income or which otherwise adversely affects the amount of dividends per Common Share in any year unrelated to the financial performance of the underlying business of the Corporation.

“**Power Purchase Agreement**” means in respect of a Qualifying Project (i) an agreement with a Qualified Offtaker to purchase the energy, ancillary products or environmental attributes produced by such project; (ii) an agreement with a Qualified Offtaker which has agreed to make payments in respect of the establishment of capacity or for the use of the project for tolling purposes; (iii) an agreement with a Qualified Offtaker which has agreed to make payments to the project in respect of the sale of generation capacity, energy, ancillary products and/or environmental attributes produced by such project to an LDC, a Transmitter or the Independent Electricity System Operator as the purchaser of power; (iv) an agreement with a Qualified Offtaker pursuant to the feed-in tariff provisions of the *Green Energy and Green Economy Act, 2009* (Ontario), as enacted and as may be amended or replaced from time to time; or (v) any similar or corresponding agreement in any applicable jurisdiction.

“**PPA Attainment Date**” means, in respect of each Qualifying Project, the date the Power Purchase Agreement for the Qualifying Project was Attained.

“**Previously Bid Projects**” means (i) development projects which NPI or a wholly-owned subsidiary of NPI submitted to a competitive bidding process, however designated, on or after January 1, 2007 and prior to April 23, 2009 but was not named the winning bidder; and (ii) electricity generation projects which were developed and owned by a third party who was the winning bidder and Attained a Power Purchase Agreement in respect of a competitive bidding process in which NPI or a wholly-owned subsidiary of NPI submitted a bid.

“**Project Cost**” means, for the purpose of calculating the Development Profit for any Qualifying Project in respect of costs incurred by the Fund or the Corporation or the Project Entity after the Closing Date to the Valuation Date:

- (a) (i) (without duplication) the actual construction cost including direct and indirect costs, capitalized third-party development costs (but with no provision for indirect development costs or development fees unless paid to a third party), financing costs including capitalized interest and fees associated with debt provided for the project, costs associated with the Fund's and/or the Corporation's equity investment in the project or the Project Entity including a deemed return on such investment based on the Fund's and/or the Corporation's cost of equity for the period of time between the investment of the equity and the Valuation Date as well as commissions, bought deal and similar discounts and other costs directly associated with the Fund's and/or the Corporation's equity investment, costs incurred during commissioning net of any revenue earned, non-refunded taxes directly associated with the project (property, capital and provincial sales tax), and a reasonable estimate of permanent working capital requirements or,
- (ii) in the case of a Qualifying Project (or an ownership interest therein) which is sold prior to achieving COD, the project costs (as so determined) incurred prior to the date of sale;

PLUS

- (b) Development Losses incurred prior to the applicable Valuation Date and that have not previously been accounted for or included in the determination of Development Profit for any Qualifying Project.

"Project Entity" means the partnership, limited partnership, trust, corporation, unlimited liability company, joint venture or other legal entity which will undertake a Qualifying Project and in which the Fund or the Corporation, either directly or indirectly holds an Equity Interest.

"Qualified Offtaker" means the Ontario Power Authority, the Ontario Ministry of Energy and Infrastructure, the Independent Electricity System Operator, an LDC, a Transmitter, the Ontario Electricity Financial Corporation, Hydro-Quebec, Hydro-Quebec Production, Hydro-Quebec Distribution, Hydro-Quebec TransEnergie, SaskPower, Manitoba Hydro, BC Hydro or any successor or replacement of any of the foregoing or any other purchaser under any Power Purchase Agreement in any applicable jurisdiction.

"Qualifying Project" means any of

- (i) the Development Projects;
- (ii) the Previously Bid Projects;
- (iii) the Grandfathered Projects; and
- (iv) the Acquisition Development Projects;

which for purposes of determining the Number of Value-realized Class B Convertible Shares has Attained a Power Purchase Agreement prior to the Class B Eligibility Date; and for purposes of determining the Number of Value-realized Class C Convertible Shares has Attained a Power Purchase Agreement prior to the Class C Eligibility Date, as applicable.

“Share Purchase Agreement” means the agreement dated the 23rd day of April, 2009, among NPHI, the Fund, NPIF Commercial Trust, and NPIF Holdings L.P., as purchasers, and others, as amended on July 10, 2009.

“Threshold Project” means, at any time, having regard to the Qualifying Projects that have then satisfied the Eligibility Conditions, the Qualifying Project which, based upon the chronological order in which each such Qualifying Project Attained its Power Purchase Agreement (beginning with the Qualifying Project with the earliest PPA Attainment Date), causes aggregate realized Development Profits (including the Development Profits from Qualifying Projects with earlier PPA Attainment Dates which have satisfied the Eligibility Conditions) to reach or exceed \$100,000,000.

“Temerty Entity” includes The Temerty Family Foundation, the spouse of James C. Temerty, a child of James C. Temerty or the Estate of James C. Temerty.

“Temerty Entity Held Common Shares” means those Common Shares Held by a Temerty Entity for which NPHI has provided to the Board such reasonable evidence as the Board may require regarding the ownership of the Common Shares Held by Temerty Entities together with an undertaking from the registered owners thereof not to exercise the voting rights attached to such Common Shares in connection with the election of directors.

“Temerty Entity Share Percentage” means the number expressed as a percentage determined as follows:

$$\frac{A + C + T}{A + C + D} \times 100$$

where
 outstanding;
 Shares; and

A = the number of votes attached to the Class A Shares outstanding;
 C = the number of votes attached to the Class C Convertible Shares
 T = the number of votes attached to the Temerty Entity Held Common
 D = the number of votes attached to the Common Shares outstanding.

“Transmitter” means an electricity transmitter licensed as such by the Ontario Energy Board or any other applicable licensing or regulatory authority in any applicable jurisdiction.

“Valuation Date” means, in respect of each Qualifying Project, the date as of which the Qualifying Project has achieved COD or (i) in the case of a Qualifying Project which is not project-financed through construction, the date when permanent or long-term financing is completed for such Qualifying Project or such other date as reasonably determined by the Independent Directors (whether at the request of a Holder or otherwise) or, (ii) in the case of a Qualifying Project (or an ownership interest therein) which is sold prior to achieving COD, the date of its sale.

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO EACH CLASS

I. COMMON SHARES

(a) Voting

The holders of the Common Shares shall be entitled to one vote in respect of each Common Share held at any meeting of the shareholders of the Corporation except meetings at which only holders of a specified class or series of shares are entitled to vote and subject to the provisions of Section V.

(b) Dividends

The holders of the Common Shares shall be entitled, subject to the rights of holders of Preferred Shares and all other shares ranking in priority to the Common Shares, to receive dividends as and when declared by the Board in its discretion from time to time out of moneys of the Corporation properly applicable to the payment of dividends.

(c) Rights on Dissolution

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders, the holders of the Common Shares shall be entitled, subject to the prior rights of holders of the Preferred Shares and all other shares ranking in priority to the Common Shares, to that portion of the balance of the assets of the Corporation equal to the ratio that the outstanding number of Common Shares is to the aggregate of the number of Common Shares outstanding and the product of the number of Class A Shares outstanding and the Class A Conversion Rate.

II. CLASS A SHARES

(a) Voting

The holders of the Class A Shares shall be entitled to that number of votes equal to the Class A Conversion Rate in respect of each Class A Share held at any meeting of the shareholders of the Corporation except meetings at which only holders of a specified class or series of shares are entitled to vote and subject to the provisions of Section V.

(b) Exclusion - Amendment to Articles

The holders of the Class A Shares shall not be entitled to vote separately as a class to dissent to a proposal to amend the articles to:

- (i) increase or decrease any maximum number of authorized shares of that class;
- (ii) increase any maximum number of authorized shares of any other class having rights or privileges equal or superior to the shares of that class; or

- (iii) create a new class of shares equal or superior to the shares of that class.

(c) Dividends

Until the Conversion Date, the holders of Class A Shares shall not be entitled to dividends. On and after the Conversion Date,

- (i) the holders of the Class A Shares shall be entitled, subject to the rights of the holders of Preferred Shares and all other shares ranking in priority to the Class A Shares, to receive dividends as and when declared by the Board in its discretion from time to time out of moneys of the Corporation properly applicable to the payment of dividends;
- (ii) the Common Shares and the Class A Shares shall rank equally as to dividends; and
- (iii) all dividends declared and paid on each Class A Share shall be equal to the Class A Conversion Rate multiplied by the amount of the dividend on each Common Share.

(d) Restrictions on Transfer, Encumbering

Except as set out below, the holders of Class A Shares may not at any time sell, assign, encumber, grant a security interest in, cause the Corporation to redeem or otherwise dispose of or transfer (or permit any of the foregoing to occur) whether voluntarily or involuntarily or by operation of law or otherwise, their Class A Shares.

Notwithstanding the foregoing, Class A Shares may, with the consent of the Board, be transferred as a result of any reorganization, amalgamation, consolidation, merger, liquidation, winding-up, or dissolution of the holder thereof.

(e) Conversion Right

At any time after the Conversion Date, a holder of any Class A Shares shall be entitled to convert the whole or any part of the Class A Shares registered in the name of the holder on the books of the Corporation into Common Shares on the basis of the Class A Conversion Rate for each Class A Share.

In the event of a take-over bid for Common Shares, before or after the Conversion Date, a holder of Class A Shares may convert such Class A Shares into Common Shares on the basis of the Class A Conversion Rate for each Class A Share for the purpose of tendering Class A Shares to such take-over bid.

(f) Rights on Dissolution

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders, the holders of the Class A Shares shall be entitled, subject to prior rights of the holders of the Preferred Shares, Class B Convertible Shares, Class C Convertible Shares and Common Shares and all other shares ranking in priority to the Class A Shares, to share in the distribution of the balance of the assets of the Corporation.

(g) Consolidation

These articles may not be amended to consolidate or combine the Class A Shares if such consolidation or combination would have the effect of terminating the interests of the holders thereof through the elimination of post-consolidation fractional interests or otherwise, without the approval of the holders of the Class A Shares voting as a class given by special resolution, except if such elimination is nominal in the circumstances.

III. CLASS B CONVERTIBLE SHARES

(a) Non-Voting

Subject to the OBCA, the holders of Class B Convertible Shares shall not, as such, be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting.

(b) Exclusion - Amendment to Articles

The holders of the Class B Convertible Shares shall not be entitled to vote separately as a class to dissent to a proposal to amend the articles to:

- (i) increase or decrease any maximum number of authorized shares of that class;
- (ii) increase any maximum number of authorized shares of any other class having rights or privileges equal or superior to the shares of that class; or
- (iii) create a new class of shares equal or superior to the shares of that class.

(c) Dividends

The holders of Class B Convertible Shares shall not be entitled to dividends.

(d) Restrictions on Transfer, Encumbering

Except as set out below, the holders of Class B Convertible Shares may not at any time sell, assign, encumber, grant a security interest in, cause the Corporation to redeem or otherwise dispose of or transfer (or permit any of the foregoing to occur) whether voluntarily or involuntarily or by operation of law or otherwise, their Class B Convertible Shares.

Notwithstanding the foregoing, Class B Convertible Shares may, with the consent of the Board, be transferred as a result of any reorganization, amalgamation, consolidation, merger, liquidation, winding-up, or dissolution of the holder thereof.

(e) Conversion Right

Class B Convertible Shares shall be converted into Class A Shares pursuant to the provisions of Subsections VI(a) and (b) on the basis of the Class B and C Conversion Rate for each Class B Convertible Share.

(f) Rights on Dissolution

The holders of Class B Convertible Shares shall not be entitled to participate in any distributions of the Corporation except in the event of the liquidation, dissolution or winding-up of the Corporation, the holders of the Class B Convertible Shares shall be entitled to receive, subject to the prior rights of the holders of the Preferred Shares, Common Shares and Class C Convertible Shares and all other shares ranking in priority to the Class B Convertible Shares and before any distribution of any part of the assets of the Corporation among the holders of Class A Shares, the amount of \$0.001 per Class B Convertible Share, and no more.

(g) Consolidation

These articles may not be amended to consolidate or combine the Class B Convertible Shares if such consolidation or combination would have the effect of terminating the interests of the holders thereof through the elimination of post-consolidation fractional interests or otherwise, without the approval of the holders of the Class B Convertible Shares voting as a class given by special resolution, except if such elimination is nominal in the circumstances.

IV. CLASS C CONVERTIBLE SHARES

(a) Voting

The holders of the Class C Convertible Shares shall be entitled to that number of votes equal to the Class A Conversion Rate multiplied by the Class B and C Conversion Rate in respect of each Class C Convertible Share held at any meeting of the shareholders of the Corporation except meetings at which only holders of a specified class or series of shares are entitled to vote and subject to the provisions of Section V.

(b) Exclusion - Amendment to Articles

The holders of the Class C Convertible Shares shall not be entitled to vote separately as a class to dissent to a proposal to amend the articles to:

- (i) increase or decrease any maximum number of authorized shares of that class;
- (ii) increase any maximum number of authorized shares of any other class having rights or privileges equal or superior to the shares of that class; or
- (iii) create a new class of shares equal or superior to the shares of that class.

(c) Dividends

The holders of Class C Convertible Shares shall not be entitled to dividends.

(d) Restrictions on Transfer, Encumbering

Except as set out below, the holders of Class C Convertible Shares may not at any time sell, assign, encumber, grant a security interest in, cause the Corporation to redeem or otherwise dispose of or transfer (or permit any of the foregoing to occur) whether voluntarily or involuntarily or by operation of law or otherwise, their Class C Convertible Shares.

Notwithstanding the foregoing, Class C Convertible Shares may, with the consent of the Board, be transferred as a result of any reorganization, amalgamation, consolidation, merger, liquidation, winding-up, or dissolution of the holder thereof.

(e) Conversion Right

Class C Convertible Shares shall be converted into Class A Shares pursuant to the provisions of Subsections VI(a) and (c) on the basis of the Class B and C Conversion Rate for each Class C Convertible Share.

(f) Rights on Dissolution

The holders of Class C Convertible Shares shall not be entitled to participate in any distributions of the Corporation other than, upon liquidation, dissolution or winding-up of the Corporation, the holders of the Class C Convertible Shares shall be entitled to receive, subject to the prior rights of the holders of the Preferred Shares and Common Shares and all other shares ranking in priority to the Class C Convertible Shares and before any distribution of any part of the assets of the Corporation among the holders of Class A Shares and Class B Convertible Shares, the amount of \$0.001 per Class C Convertible Share, and no more.

(g) Consolidation

These articles may not be amended to consolidate or combine the Class C Convertible Shares if such consolidation or combination would have the effect of terminating the interests of the holders thereof through the elimination of post-consolidation fractional interests or otherwise, without the approval of the holders of the Class C Convertible Shares voting as a class given by special resolution, except if such elimination is nominal in the circumstances.

V. RIGHT TO ELECT DIRECTORS BY HOLDERS OF CLASS A SHARES AND CLASS C CONVERTIBLE SHARES

- (a) The Corporation shall provide written notice to NPHI (so long as it remains the holder of all of the outstanding Class A Shares and the Class C Convertible Shares) at least 60 days prior to any instance in which directors are to be elected. Within 30 days of such notice, NPHI has the right to advise the Corporation of its intent to exercise the Appointment Rights in respect of that instance of the election of directors. If NPHI so advises the Corporation, it shall provide to the Board such reasonable evidence as the Board may require regarding the ownership of NPHI.
- (b) So long as NPHI is Controlled directly or indirectly by James C. Temerty, and the NPHI Share Percentage is equal to or greater than 15%, holders of the Class A Shares

and the Class C Convertible Shares will have the exclusive right, voting together as a single class, to elect up to 49% of the directors of the Corporation (rounded down to next whole number).

- (c) So long as NPHI is Controlled directly or indirectly by James C. Temerty, and the NPHI Share Percentage is equal to or greater than 10% but less than 15%, holders of the Class A Shares and Class C Convertible Shares will have the exclusive right, voting together as a single class, to elect up to 40% of the directors of the Corporation (rounded down to next whole number).
- (d) If NPHI is Controlled directly or indirectly by a Temerty Entity (but not James C. Temerty), and the Temerty Entity Share Percentage is equal to or greater than 20%, then holders of the Class A Shares and Class C Convertible Shares will have the exclusive right, voting together as a single class, to elect up to 49% of the directors of the Corporation (rounded down to next whole number).
- (e) If NPHI is Controlled directly or indirectly by a Temerty Entity (but not James C. Temerty) and the Temerty Entity Share Percentage is equal to or greater than 15% but less than 20%, then holders of the Class A Shares and Class C Convertible Shares will have the exclusive right, voting together as a single class, to elect up to 40% of the directors of the Corporation (rounded down to the next whole number).
- (f) If NPHI has exercised its Appointment Rights in respect of an instance of the election of directors, the holders of the Common Shares are entitled to elect that number of directors to be elected equal to the total number of directors to be elected less the number of directors elected pursuant to the Appointment Rights.
- (g) The holders of the Class A Shares and Class C Convertible Shares will have the exclusive right, voting together as a single class, at any time and from time to time, to (i) remove, subject to applicable law, any one or more of the directors elected by such holders pursuant to the Appointment Rights (the "**Removed Director**"); and (ii) elect an individual to complete the term of the Removed Director.
- (h) Upon the death, disability, retirement, resignation or other ceasing (other than as a result of the removal of a director pursuant to paragraph (g) above) of a director (the "**Ceased Director**") elected by the holders of the Class A Shares and Class C Convertible Shares pursuant to the Appointment Rights, such holders will have the exclusive right, voting together as a class, to elect an individual to complete the term of the Ceased Director.
- (i) The matters provided for in the above paragraphs (b) to (e), (g) and (h) may be effected by written resolution of all of the holders of Class A Shares and Class C Convertible Shares.
- (j) If NPHI does not, or is not entitled to, exercise the Appointment Rights, the holders of the Class A Shares and Class C Convertible Shares shall vote together with the holders of the outstanding Common Shares (and Preferred Shares, if applicable) as a single class for the election of directors.

- (k) Except as provided for in the above paragraphs (g) and (h), the provisions of the OBCA shall apply in respect of the removal of a director or the filling of a vacancy among the directors.

VI. RIGHT OF CONVERSION OF CLASS B CONVERTIBLE SHARES AND CLASS C CONVERTIBLE SHARES

(a) General Provisions

The following provisions are applicable in this Section VI:

1. Forthwith following the Valuation Date of each Qualifying Project which has satisfied the Eligibility Conditions, the Development Profit for the project shall be calculated.
2. The Fair Market Value and Development Profit for each Qualifying Project will be determined as of the applicable Valuation Date by the Financial Advisor with the assistance of the Corporation's auditor as required under the direction of the Independent Directors. The Financial Advisor will be engaged by the Independent Directors.
3. The Corporation will provide appropriate public disclosure concerning the procedures followed for the determination of the Fair Market Value and Development Profit for each Qualifying Project which satisfies the Eligibility Conditions and the results of the evaluation at the time of the determination of the Development Profit for the project or the subsequent quarter end financial statements.
4. Class C Convertible Shares shall be converted into Class A Shares based upon the first \$100,000,000 of Development Profits attributable to Qualifying Projects which have satisfied the Eligibility Conditions, in accordance with Subsection VI(c).
5. The first \$100,000,000 of Development Profit attributable to Qualifying Projects shall not apply to the conversion of Class B Convertible Shares and the conversion of Class B Convertible Shares shall be conditional upon all Class C Convertible Shares being converted into Class A Shares. Class B Convertible Shares shall be convertible into Class A Shares based upon Development Profits in excess of \$100,000,000 attributable to Qualifying Projects which have satisfied the Eligibility Conditions, in accordance with Subsection VI(b).
6. If at any time the Threshold Project (the "**Existing Threshold Project**") is replaced as the Threshold Project by a Qualifying Project with a PPA Attainment Date which pre-dates the PPA Attainment Date of the Existing Threshold Project, and such replacement affects the number of Class B Convertible Shares that have been or will be converted into Class A Shares, adjustments shall be made so that conversions are based upon the applicable Allocation Percentage following the replacement of the Existing Threshold Project. If there is still uncertainty at the time Class B Convertible Shares are convertible into Class A Shares as to the Allocation Percentage applicable to the Project, the conversion of Class B Convertible Shares shall initially occur at the Allocation Percentage of 20% on an interim basis until such time as there is certainty as to which Qualifying Projects the Allocation Percentage of 40% applies at which time there shall be an adjustment to the Allocation Percentage of 40%, as applicable.

(b) Conversion of Class B Convertible Shares

The Class B Convertible Shares shall be converted into Class A Shares pursuant to Subsections VI(a) and (b).

1. The provisions of this Subsection VI(b) are applicable only if all of the issued and outstanding Class C Convertible Shares have been converted into Class A Shares.
2. Upon a Qualifying Project satisfying the Eligibility Conditions, the number of Class B Convertible Shares ("**Number of Value-realized Class B Convertible Shares**") that become convertible into Class A Shares shall be determined as follows:

$$\begin{array}{rccccccc} \text{Development} & & \text{Allocation} & & \text{Class B} & & \text{Number} & & \text{of} \\ \text{Profit} & & \text{x Percentage} & & \text{Conversion} & & \text{Value-realized} & & \\ & & & & \text{Share Market} & & \text{Class B} & & \\ & & & & \text{Price} & & \text{Convertible} & & \\ & & & & & & \text{Shares} & & \end{array} =$$

3. Subject to Paragraphs 4 and 5 below and Paragraph 6 of Subsection VI(a), forthwith upon a Number of Value-realized Class B Convertible Shares being determined pursuant to Paragraph 2 above, a number of Class B Convertible Shares equal to the lesser of (i) the Number of Value-realized Class B Convertible Shares; and (ii) the number of Class B Convertible Shares remaining outstanding shall be converted into Class A Shares on a one-for-one basis. At such time as all Qualifying Projects have either satisfied all Eligibility Conditions (and any related conversions of Class B Convertible Shares have been completed) or been terminated or abandoned, any remaining Class B Convertible Shares shall be cancelled without compensation.
4. If a Qualifying Project satisfies the Eligibility Conditions after another development project has been abandoned or terminated but before the Development Losses relating to such project have been calculated and included in the determination of Development Profit for any Qualifying Project, the calculation made pursuant to Paragraph 2 above and the conversion of Class B Convertible Shares for Class A Shares shall be delayed until such Development Losses have been calculated and included in the determination of Development Profit for such Qualifying Project and made immediately thereafter.
5. If the amount of the dividends per Common Share in respect of any fiscal year of the Corporation is less than \$1.08 per Common Share, the conversion of Class B Convertible Shares into Class A Shares after such fiscal year shall be suspended, unless the shortfall was the result of a Policy Decision (in which case the conversion of Class B Convertible Shares will not be suspended). Any Class B Convertible Shares for which conversion has been suspended, shall be converted into Class A Shares as of the end of the next fiscal year of the Corporation in which there is no such shortfall (or the shortfall was the result of a Policy Decision). To the extent that the number of Common Shares exceeds 64,665,510 Common Shares as a result of the conversion of any of the Fund's or the Corporation's convertible debentures that were outstanding on the date of the Share Purchase Agreement or as a result of the issuance of new units of the Fund or Common Shares or securities convertible or exchangeable into units of the Fund or Common Shares, or the subdivision of

Common Shares, the amount of dividends declared and paid in any fiscal year shall be determined as if such events had not occurred.

6. A holder of Class B Convertible Shares is prohibited from converting, exercising or exchanging such Class B Convertible Shares for the purpose of tendering Common Shares to a take-over bid. If an offeror exercises its right to acquire Common Shares pursuant to section 188 of the OBCA, then thereafter (a) part (ii) of the definition of Class B Conversion Share Market Price shall be deemed to be the price per Common Share paid by the offeror in such take-over bid (or where the consideration was not in cash, the fair market value thereof); and (b) thereafter when the Class B Convertible Shares would by virtue of Paragraphs 2 and 3 above otherwise be converted into Class A Shares, the holder thereof will instead be entitled to receive the cash, securities or other property that a holder of such Class A Shares would have received if it had tendered such Class A Shares into the take-over bid. If an offeror makes a take-over bid that is accepted by the holders of more than 66^{2/3}% of the outstanding Common Shares, the offeror shall have the option to compel the holders of Class B Convertible Shares to exchange such Class B Convertible Shares into other securities that, in the good faith opinion of the Independent Directors, provide to the holders thereof substantially the same economic benefits as the Class B Convertible Shares.

If the Corporation sells or otherwise disposes of all or substantially all of the assets of the Corporation (directly or indirectly), that number of Class B Convertible Shares shall be converted into Class A Shares which the Independent Directors determine in good faith would have been so converted if immediately prior to such sale or disposition every Qualified Project had satisfied the Eligibility Conditions. The foregoing sentence does not apply if the Class B Convertible Shares are converted into or exchanged for securities that in the good faith opinion of the Independent Directors provide to the holders thereof substantially the same economic benefits as the Class B Convertible Shares.

(c) Conversion of Class C Convertible Shares

The Class C Convertible Shares shall be converted into Class A Shares pursuant to Subsections VI(a) and (c).

1. Upon a Qualifying Project satisfying the Eligibility Conditions, the number of Class C Convertible Shares ("**Number of Value-realized Class C Convertible Shares**") that become convertible into Class A Shares shall be determined as follows:

$$\text{Development Profit} \div \$100,000,000 \times 8,496,078 = \text{Number of Value-realized Class C Convertible Shares}$$

2. Subject to Paragraph 3 below, forthwith upon a Number of Value-realized Class C Convertible Shares being determined pursuant to Paragraph 1 above, a number of Class C Convertible Shares equal to the lesser of (i) the Number of Value-realized Class C Convertible Shares; and (ii) the number of Class C Convertible Shares remaining outstanding shall be converted into Class A Shares on a one-for-one basis. At such time as all Qualifying Projects have either satisfied all Eligibility Conditions (and any related conversions of Class C Convertible Shares have been completed) or

have had their Power Purchase Agreements terminated in accordance with their respective terms, any remaining Class C Convertible Shares shall be cancelled without compensation.

3. If a Qualifying Project satisfies the Eligibility Conditions after another development project has been abandoned or terminated but before the Development Losses relating to such project have been calculated and included in the determination of Development Profit for any Qualifying Project, the calculation made pursuant to Paragraph 1 above and the conversion of Class C Convertible Shares for Class A Shares (or Common Shares if all of the Class A Shares have been converted) shall be delayed until such Development Losses have been calculated and included in the determination of Development Profit for such Qualifying Project and made immediately thereafter.
4. A holder of Class C Convertible Shares is prohibited from converting, exercising or exchanging such Class C Convertible Shares for the purpose of tendering Common Shares to a take-over bid. If an offeror exercises its right to acquire Common Shares pursuant to section 188 of the OBCA, then thereafter when the Class C Convertible Shares would by virtue of Paragraphs 1 and 2 above otherwise be converted into Class A Shares, the holder thereof will instead be entitled to receive the cash, securities or other property that a holder of such Class A Shares would have received if it had tendered such Class A Shares into the take-over bid. If an offeror makes a take-over bid that is accepted by the holders of more than 66^{2/3}% of the outstanding Common Shares, the offeror shall have the option to compel the holders of Class C Convertible Shares to exchange such Class C Convertible Shares into other securities that, in the good faith opinion of the Independent Directors, provide to the holders thereof substantially the same economic benefits as the Class C Convertible Shares.
5. If the Corporation sells or otherwise disposes of all or substantially all of the assets of the Corporation (directly or indirectly), all remaining outstanding Class C Convertible Shares shall be immediately converted into Class A Shares. The foregoing sentence does not apply if the Class C Convertible Shares are converted into or exchanged for securities that in the good faith opinion of the Independent Directors provide to the holders thereof substantially the same economic benefits as the Class C Convertible Shares.

VII. ANTI-DILUTION PROVISIONS

- (a) If and whenever at any time while Class A Shares, Class B Convertible Shares, or Class C Convertible Shares remain outstanding the Corporation shall (i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares, or (iii) issue Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends or distributions in the form of Common Shares in lieu of cash dividends or cash distributions paid in the ordinary course), the Class A Conversion Rate shall be adjusted upon such subdivision, redivision, reduction, combination or consolidation becoming effective or immediately after the record date for such issue of shares or securities by way of a dividend or distribution, as the case may be, so that it will

equal the number determined by multiplying the Class A Conversion Rate then in effect by a fraction, of which the numerator is the number of outstanding shares after giving effect to such subdivision, redivision, reduction, combination, consolidation, dividend or distribution (including, where securities convertible into or exchangeable for Common Shares are distributed, the number of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date), and the denominator of which is the number of outstanding Common Shares immediately prior to such subdivision, redivision, reduction, combination or consolidation becoming effective or on such record date of such dividend or distribution, as the case may be. Such adjustment shall be made successively whenever any event referred to in this Subsection VII(a) shall occur. Any such issue of Common Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Common Shares under Subsections VII(b) and (c).

- (b) If and whenever at any time while any Class A Shares, Class B Convertible Shares or Class C Convertible Shares remain outstanding the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the Class A Conversion Rate shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the Class A Conversion Rate in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable) and of which the denominator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Class A Conversion Rate shall be readjusted to the Class A Conversion Rate which would then be in effect if such record date had not been fixed or to the Class A Conversion Rate which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such options, rights or warrants, as the case may be.
- (c) If and whenever at any time while Class A Shares, Class B Convertible Shares or Class C Convertible Shares remain outstanding the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class other than Common Shares (other than securities distributed to holders of Common Shares who have elected to receive dividends or distributions in the form of such securities in lieu of dividends or distributions paid in the ordinary course), (ii) rights, options or warrants (excluding

rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Common Shares or securities convertible into Common Shares), (iii) evidences of its indebtedness, or (iv) other assets (excluding cash dividends or distributions paid in the ordinary course) then, in each such case, the Class A Conversion Rate shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the Class A Conversion Rate in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the fair market value (as determined by the Board, which determination shall be conclusive) of such securities or rights, options or warrants or evidences of indebtedness or assets so distributed in respect of all Common Shares. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Class A Conversion Rate shall be re-adjusted to the Class A Conversion Rate which would then be in effect if such record date had not been fixed or to the Class A Conversion Rate which would then be in effect based upon such securities or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be.

- (d) If and whenever at any time while Class A Shares, Class B Convertible Shares, or Class C Convertible Shares remain outstanding, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Subsection VII(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other person, company or other entity or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other person, company or other entity or a liquidation, dissolution or winding up of the Corporation, any holder of Class A Shares who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to, and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the person, company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding up, as the case may be, that such holder of Class A Shares would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares sought to be acquired by it and which it was entitled to acquire upon the exercise of the right of conversion.
- (e) If this Section VII requires that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any shares converted after such record date and before the occurrence of such event the additional shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall

deliver to such holder an appropriate instrument confirming such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional shares declared in favour of holders of record of shares on and after the date of conversion or such later date as such holder would, but for the provisions of this Subsection VII(e), have become the holder of record of such additional shares pursuant to Subsection VII(b).

- (f) The adjustments provided for in this Section VII are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Class A Conversion Rate or Class B and C Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in the Class A Conversion Rate or Class B and C Conversion Rate, as applicable, then in effect; provided however, that any adjustments which by reason of this Subsection VII(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (g) If any question arises with respect to the adjustments provided in this Section VII, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation and the holders of the Class A Shares, Class B Convertible Shares and Class C Convertible Shares.
- (h) If the Corporation shall take any action affecting the Common Shares or the Class A Shares other than action described in this Section VII, which in the opinion of the Board, acting reasonably, would materially adversely affect the rights of the holders of Class A Shares, Class B Convertible Shares or Class C Convertible Shares, the Class A Conversion Rate or the Class B and C Conversion Rate shall be adjusted in such manner and at such time, by action of the Board, subject to the prior written consent of the TSX, if required, as the Board may reasonably determine to be equitable in the circumstances.
- (i) Subject to the prior written consent of the TSX, if required, no adjustment in the Class A Conversion Rate shall be made in respect of any event described in Subsections VII(a), (b) or (c) if the holders of the Class A Shares are entitled to participate in such event on the same terms *mutatis mutandis* as if they had converted their Class A Shares prior to the effective date or record date, as the case may be, of such event. In such case the Class B and C Conversion Rate shall be adjusted in the same manner that the Class A Conversion Rate would have been adjusted but for this Subsection VII(i).
- (j) Except as stated above in this Section VII, no adjustment will be made in the Class A Conversion Rate as a result of the issuance of Common Shares at less than the Current Market Price on the date of issuance.
- (k) The Corporation shall not be required to issue fractional shares upon the exercise of any conversion right. If more than one share shall be surrendered for conversion at one time by the same holder, the number of whole shares issuable upon conversion

thereof shall be computed on the basis of the aggregate number of such shares to be converted. If any fractional interest in a share would, except for the provisions of this Subsection VII(k), be deliverable upon the conversion of any number of shares, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to such shareholder of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price.

PART B
Preferred Shares

I. GENERAL

(a) **Directors' Authority to Issue in One or More Series**

The Preferred Shares may at any time and from time to time be issued in one or more series.

Subject to the *Business Corporations Act* (Ontario) (the "OBCA"), before any shares of a particular series are issued, the board of directors of the Corporation (the "Board") shall fix the number of Preferred Shares in such series and shall determine, subject to the limitations set out in these articles, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series including, but without in any way limiting or restricting the generality of the foregoing, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Corporation, any sinking fund or other provisions. Before the issue of the first shares of a series, the Corporation shall file articles of amendment containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the Board.

(b) **Restriction - Non Voting**

Subject to the OBCA, the Preferred Shares of each series shall be non-voting and not entitled to receive notice of any meeting of shareholders, provided that the designation, rights, privileges, restrictions and conditions may provide that if the Corporation shall fail, for a specified period, which is at least 2 years, to pay dividends at the prescribed rate on any series of the Preferred Shares, whereupon, and so long as any such dividends shall remain in arrears, the holders of that series of Preferred Shares shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class or series of shares are entitled to attend.

(c) **Exclusion - Amendment to Articles**

The holders of the Preferred Shares shall not be entitled to vote separately as a class or as a series to dissent to a proposal to amend the articles to:

- (i) increase or decrease any maximum number of authorized shares of that class or series;
- (ii) increase any maximum number of authorized shares of any other class or series having rights or privileges equal or superior to the shares of that class or series;
- (iii) effect an exchange, reclassification or cancellation of the shares of that class or series; or
- (iv) create a new class of shares or series of shares equal or superior to the shares of that class or series.

II. CUMULATIVE RATE RESET PREFERRED SHARES, SERIES 1

The Cumulative Rate Reset Preferred Shares, Series 1 (the “Series 1 Shares”), in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Dividends

- (i) Dividend Periods And Dividend Payment Dates. A “**Dividend Period**” means the period from and including the date of initial issue of the Series 1 Shares to, but excluding, September 30, 2010 and, thereafter, the next succeeding period that is from and including the last calendar day (each, a “**Quarter End Date**”) of each of the months of March, June, September and December in each year, as the case may be, to but excluding the next succeeding Quarter End Date. The dividend payment dates (the “**Dividend Payment Dates**”) in respect of the dividends payable on the Series 1 Shares shall be the last Business Day of each of the months of March, June, September and December in each year.
- (ii) Payment of Dividends.
 - (A) During the Initial Fixed Rate Period and each Subsequent Fixed Rate Period, the holders of Series 1 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board, out of moneys of the Corporation properly applicable to the payment of dividends, fixed, cumulative, preferential cash dividends (the “**Quarterly Dividends**”) in the amounts set forth in Subsection II(a)(ii)(B) payable, with respect to each Dividend Period, on the Dividend Payment Date in respect of such Dividend Period.
 - (B) Subject to Subsection II(a)(iii), for all Dividend Periods during:
 - (1) the Initial Fixed Rate Period, each Quarterly Dividend shall be in an amount equal to \$0.328125 per Series 1 Share; and
 - (2) each Subsequent Fixed Rate Period, each Quarterly Dividend shall be in an amount per Series 1 Share equal to the result of the following calculation: $\frac{1}{4} \times [(\$25.00 \times$

AFDR)], where "AFDR" means the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period.

- (C) The Corporation shall determine the Annual Fixed Dividend Rate for each Subsequent Fixed Rate Period on the relevant Fixed Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding on the Corporation and all holders of Series 1 Shares. The Corporation shall, on the relevant Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 1 Shares in accordance with the provisions of Subsection II(g)(i).
 - (D) Dividends on the Series 1 Shares shall accrue daily from and including the date of issue of such shares.
- (iii) Dividend for Other Than a Full Dividend Period. The holders of Series 1 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends for any period which is less than a full Dividend Period, as follows:
- (A) an initial dividend in respect of the period from and including the date of the initial issue of the Series 1 Shares to but excluding September 30, 2010 in an amount per Series 1 Share equal to \$1.3125 multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of the initial issue of the Series 1 Shares to but excluding September 30, 2010 and the denominator of which is 365, (which, if the Series 1 Shares are issued on July 28, 2010, shall be \$0.2301 per Series 1 Share); and
 - (B) a dividend in an amount per share with respect to any Series 1 Share:
 - (1) which is issued, redeemed or converted during any Dividend Period;
 - (2) where the assets of the Corporation are distributed to the holders of the Series 1 Shares pursuant to Subsection II(j) with an effective date during any Dividend Period; or
 - (3) in any other circumstance where the number of days in a Dividend Period that such share has been outstanding is less than a full Dividend Period (other than the period referred to in Subsection II(a)(iii)(A)),

equal to the amount obtained when the amount of the Quarterly Dividend payable in respect of the applicable full Dividend Period is multiplied by a fraction, the numerator of which is the number of calendar days in such Dividend Period that such share has been outstanding (excluding the date of redemption or conversion, the

effective date for the distribution of assets or the last day of the applicable shorter period, as applicable) and the denominator of which is the number of calendar days in such Dividend Period.

- (iv) Payment Procedure. The Corporation shall pay the dividends declared on the Series 1 Shares on the relevant Dividend Payment Date (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 1 Shares (in the manner provided for in Subsection II(g)(i)) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.
- (v) Cumulative Payment of Dividends. If on any Dividend Payment Date, the Quarterly Dividends payable in respect of the Dividend Period ending in the calendar month in which such Dividend Payment Date occurs are not paid in full on all of the Series 1 Shares then outstanding, such Quarterly Dividends, or the unpaid part thereof, shall be paid (less any tax required to be deducted or withheld by the Corporation) on a subsequent date or dates determined by the Board on which the Corporation shall have sufficient moneys properly applicable to the payment of such Quarterly Dividends. The holder of Series 1 Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

(b) Redemption, Conversion and Purchase

- (i) General. Subject to Subsection II(d), and to the extent permitted by applicable law, the Series 1 Shares may be redeemed, converted or purchased by the Corporation as provided in this Subsection II(b) but not otherwise.
- (ii) Corporation's Redemption Rights. The Series 1 Shares shall not be redeemable by the Corporation prior to September 30, 2015. On any Series 1 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 1 Shares, at its option, by the payment in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the "**Redemption Price**"). Where applicable, if less than all of the outstanding Series 1 Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, with the consent of

any applicable stock exchange, in such other manner as the Board may in its sole discretion determine by resolution.

- (iii) Notice of Redemption. Notice of any redemption of Series 1 Shares pursuant to Subsection II(b)(ii) shall be given to each holder of Series 1 Shares to be redeemed by the Corporation at least 30 and not more than 60 days prior to the date fixed for redemption. Any notice of redemption of Series 1 Shares by the Corporation shall be validly and effectively given on the date on which it is sent to each holder of Series 1 Shares to be redeemed in the manner provided for in Subsection II(g)(i). Such notice shall set out:
- (A) the date (the “**Redemption Date**”) on which the redemption is to take place;
 - (B) unless all the Series 1 Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 1 Shares so held which are to be redeemed; and
 - (C) the Redemption Price.
- (iv) Payment of Redemption Price. The Corporation shall on the Redemption Date pay or cause to be paid to the holders of the Series 1 Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted or withheld by the Corporation) on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Toronto or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 1 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque (in the manner provided for in Subsection II(g)(i)) shall be a full and complete discharge of the Corporation’s obligation to pay the Redemption Price owed to the holders of Series 1 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series 1 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 1 Shares in respect of such shares except the right to receive the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 1 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.
- (v) Deposit of Redemption Price. The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate

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

- (vi) Declaration of Dividends in Respect of Shares to be Redeemed. If a dividend is declared by the Board in respect of any Dividend Period during which the Series 1 Shares are redeemed, notwithstanding the provisions of Subsection II(a)(iv), no electronic funds transfer or cheque shall be made or issued in payment of such dividend; rather, the amount of such dividend declared shall be considered to be an accrued and unpaid dividend for purposes of Subsection II(b)(ii).
- (vii) Conversion at the Option of the Holder. Subject to the second paragraph of Subsection II(b)(viii), Subsection II(b)(ix) and Subsection II(b)(x), each holder of Series 1 Shares shall have the right, at its option, on any Series 1 Conversion Date, to convert all or any part of its Series 1 Shares registered in its name into Cumulative Floating Rate Preferred Shares, Series 2 (the "Series 2 Shares") on the basis of one Series 2 Share for each Series 1 Share converted. Such right may be exercised by notice in writing (an "Election Notice") given not earlier than the 30th day prior to, and not later than 5:00 p.m. (Toronto time) on the 15th day preceding, the applicable Series 1 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places designated by the Corporation. If a Series 1 Conversion Date falls on a day that is not a Business Day, such Series 1 Conversion Date shall be the immediately following Business Day. On any conversion of Series 1 Shares into Series 2 Shares, the certificates representing the Series 2 Shares resulting from the conversion of Series 1 Shares to which such holder is entitled shall be issued in the name of the holder of the Series 1 Shares converted or in such name or names as such holder may direct in writing; provided that such holder shall pay any applicable security transfer taxes. Any Election Notice shall be accompanied by (1) payment or evidence of payment of the tax (if any) payable; and (2) the certificate or certificates representing the Series 1 Shares in respect of which the holder thereof desires to convert into Series 2 Shares with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Election Notice such holder may elect to

convert part only of the Series 1 Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 1 Shares represented by such certificate or certificates that have not been converted. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 1 Conversion Date, so that the rights of the holder of such Series 1 Shares as the holder thereof shall cease at such time and the person or persons entitled to receive the Series 2 Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 2 Shares at such time. An Election Notice is irrevocable once received by the Corporation. If the Corporation does not receive an Election Notice within the specified time, the Series 1 Shares shall be deemed not to have been converted (subject to Subsection II(b)(ix)).

- (viii) Notice of Conversion Rate and Dividend Rates and Election Notice. The Corporation shall, at least 30 days and not more than 60 days prior to each Series 1 Conversion Date, provide notice in writing to the then registered holders of the Series 1 Shares of the Series 1 Conversion Date and a form of Election Notice as specified by the Corporation. On the 30th day prior to each Series 1 Conversion Date, the Corporation shall give notice in writing to the registered holders of the Series 1 Shares of the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period (as these terms are defined in the Series 2 Share Provisions).

If the Corporation gives notice pursuant to Subsection II(b)(iii) to the registered holders of the Series 1 Shares of the redemption of all Series 1 Shares pursuant to Subsection II(b)(ii), it shall not be required to give notice to the holders of the Series 1 Shares of any dividend rates or of the conversion right of holders of Series 1 Shares and the right of holders of Series 1 Shares to convert such shares pursuant to Subsection II(b)(vii) shall terminate.

- (ix) Automatic Conversion. If the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 1 Shares, after having taken into account all Election Notices in respect of Series 1 Shares duly tendered for conversion into Series 2 Shares and all Election Notices in respect of Series 2 Shares duly tendered for conversion into Series 1 Shares in accordance with the Series 2 Share Provisions, in each case received by the Corporation during the time fixed therefor, then, all, but not part, of the remaining outstanding Series 1 Shares will automatically be converted into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share on the applicable Series 1 Conversion Date. The Corporation shall give notice in writing of the automatic conversion thereof to all holders of the Series 1 Shares at least seven days prior to the applicable Series 1 Conversion Date.
- (x) Restrictions on Conversion. The holders of Series 1 Shares shall not be entitled to convert their shares into Series 2 Shares if the Corporation determines that there would remain outstanding on a Series 1 Conversion

Date less than 1,000,000 Series 2 Shares after having taken into account all Election Notices in respect of Series 1 Shares duly tendered for conversion into Series 2 Shares and all Election Notices in respect of Series 2 Shares duly tendered for conversion into Series 1 Shares in accordance with the Series 2 Share Provisions, in each case received by the Corporation during the time fixed therefor. The Corporation shall give notice in writing of the inability to convert Series 1 Shares to all holders of the Series 1 Shares at least seven days prior to the applicable Series 1 Conversion Date.

- (xi) Non-Residents. The Corporation is not required to (but may at its option) issue Series 2 Shares upon the conversion of Series 1 Shares into Series 2 Shares to any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities laws or analogous laws of such jurisdiction.
- (xii) Purchase for Cancellation. Subject to applicable laws and to the provisions described in Subsection II(d), the Corporation may at any time purchase (if obtainable) for cancellation all or any number of the Series 1 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 1 Shares or otherwise, at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable.
- (xiii) Conversion - General. On the conversion of a Series 1 Share to a Series 2 Share pursuant to the terms of these Series 1 Share Provisions, each such Series 1 Share shall become an issued Series 2 Share and the number of unissued Series 1 Shares shall be increased by the number of Series 1 Shares that became Series 2 Shares.

(c) Voting Rights

- (i) Voting Rights - General. Except as otherwise required by law or in the conditions attaching to the Preferred Shares as a class, the holders of Series 1 Shares shall not be entitled to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 1 Shares shall be entitled to receive notice of all meetings of shareholders of the Corporation and to attend thereat (other than a separate meeting of the holders of another series or class of shares), and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each

Series 1 Share held by each such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease unless and until the Corporation shall again fail to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends, in which event such voting rights shall become effective again and so on from time to time.

(d) Restrictions on Dividends, Retirement and Issuance of Shares

So long as any of the Series 1 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Series 1 Shares:

- (i) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 1 Shares) on any shares of the Corporation ranking as to dividends junior to the Series 1 Shares;
- (ii) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series 1 Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 1 Shares;
- (iii) redeem or call for redemption, purchase for cancellation or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 1 Shares then outstanding; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares, ranking as to capital or dividends on a parity with the Series 1 Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 1 Shares have been declared and paid or moneys set apart for payment.

(e) Issue Price

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

In the event of a conversion of a Series 2 Share into a Series 1 Share, the amount to be deducted from the stated capital account maintained for the Series 2 Shares and added to the stated capital account maintained for the Series 1 Shares will be \$25.00 per share so converted.

(f) Election under the *Income Tax Act* (Canada)

The Corporation shall elect in the manner and within the time provided under the *Income Tax Act* (Canada) (the "Tax Act"), under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate holders will not be required to pay tax on dividends received on the Series 1 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

(g) Notice and Interpretation

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

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

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

- (A) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and

(B) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Toronto, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (A) above, provided that as soon as the Board determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

(ii) Interpretation. If any day on which any dividend on the Series 1 Shares is payable, on which any Redemption Date or any Series 1 Conversion Date shall occur, or on or by which any other action is required or permitted to be taken hereunder is not a Business Day, then such dividend shall be payable, such Series 1 Conversion Date shall occur or such other action shall be required or permitted to be taken on the immediately following day that is a Business Day.

If a holder of Series 1 Shares is entitled to a cheque and such cheque is not received by the holder, or if the cheque is lost or destroyed, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder of the Series 1 Shares a replacement cheque for the amount of the original cheque.

The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 1 Shares under these Series 1 Share provisions any amount required by law to be deducted or withheld from that payment.

Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute that may be enacted in substitution of that statute.

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

For the purposes hereof:

- (A) “**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the annual rate (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 plus 2.80%;
- (B) “**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 page on that service) for purposes of displaying Government of Canada Yields;

- (C) **“Business Day”** means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office;
- (D) **“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;
- (E) **“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 which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years;
- (F) **“in priority to”, “on a parity with” and “junior to”** have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (G) **“Initial Fixed Rate Period”** means the period from and including the date of the initial issue of the Series 1 Shares to, but excluding, September 30, 2015;
- (H) **“Quarter End Date”** has the meaning given to it in Subsection II(a)(i);
- (I) **“ranking as to capital”** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (J) **“ranking as to dividends”** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation;
- (K) **“Series 1 Conversion Date”** means September 30, 2015 and September 30 of every fifth year thereafter;

- (L) “**Series 1 Share Provisions**” means the designation, rights, privileges, restrictions and conditions of the Series 1 Shares;
- (M) “**Series 2 Share Provisions**” means the designation, rights, privileges, restrictions and conditions of the Series 2 Shares;
- (N) “**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2015 to, but excluding, September 30, 2020 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter; and
- (O) “**Transfer Agent**” means Computershare Trust Company of Canada at its principal transfer office in Toronto, Ontario, its successors and assigns, or such other person as from time to time may be appointed as the registrar and transfer agent for the Series 1 Shares.

(h) Modification

Subject to Subsection II(b)(ii), the designation, rights, privileges, restrictions and conditions attaching to the Series 1 Shares as a series may be repealed, deleted, varied, modified, amended or amplified from time to time only with the approval of the holders of the Series 1 Shares given in accordance with the OBCA and Subsection II(i) and with any required approvals of any stock exchanges on which the Series 1 Shares may be listed.

(i) Approval of Holders of Series 1 Shares

- (i) Approval of Holders of Series 1 Shares. Except as otherwise provided in this Part B, any approval of the holders of the Series 1 Shares with respect to any matters requiring the consent of such holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of at least two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of 10% of the outstanding Series 1 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of 10% of the outstanding Series 1 Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days’ written notice shall be given of such adjourned meeting. At such adjourned meeting the holders(s) of Series 1 Shares present in person or represented by proxy shall form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of at least two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series 1 Shares. At any meeting

of holders of Series 1 Shares as a series, each such holder shall be entitled to one vote in respect of each share held.

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

(j) Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 1 Shares, the holders of the Series 1 Shares shall rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Series 1 Shares shall be entitled to receive an amount equal to \$25.00 per Series 1 Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares of the Corporation ranking junior as to capital to the Series 1 Shares. Upon payment to the holders of the Series 1 Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

(k) Withholding Taxes

- (i) Withholding Taxes. For greater certainty, and notwithstanding any other provision of this Section II, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted or withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 1 Shares, including on the redemption, cancellation or conversion of the Series 1 Shares. To the extent that any amounts are deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such deduction or withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of all or any number of Series 2 Shares otherwise deliverable to a holder of Series 1 Shares on the conversion of such Series 1 Shares in order to meet any applicable tax deduction or withholding tax requirements.
- (ii) Transfer Taxes. For greater certainty, and notwithstanding any other provision of this Section II, the Corporation shall not be required to pay any tax which may be:
 - (A) imposed upon the person or persons to whom Series 2 Shares are issued,

- (B) payable in respect of the issuance of such Series 2 Shares or a certificate therefor, or
- (C) payable in respect of any transfer involved in the issuance and delivery of any certificate in the name or names other than that of the holder of the Series 1 Shares,

in connection with the conversion of Series 1 Shares into Series 2 Shares. The Corporation may refuse to issue any Series 2 Share or deliver any such Series 2 Share certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or is otherwise not required to be paid in the circumstances.

III. CUMULATIVE FLOATING RATE PREFERRED SHARES, SERIES 2

The Cumulative Floating Rate Preferred Shares, Series 2 (the "Series 2 Shares") in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Dividends

- (i) Dividend Payment Dates. The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series 2 Shares shall be the last Business Day of each of the months of March, June, September and December in each year.
- (ii) Payment of Dividends. The holders of Series 2 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board, out of moneys of the Corporation properly applicable to the payment of dividends, quarterly floating rate, cumulative, preferential cash dividends in respect of each Quarterly Floating Rate Period in an amount per Series 2 Share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00 ("Quarterly Dividends").

The Corporation shall determine the Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period on the relevant Floating Rate Calculation Date. Such determination shall be, in the absence of manifest error, final and binding on the Corporation and all holders of Series 2 Shares. The Corporation shall, on the relevant 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 outstanding Series 2 Shares in accordance with the provisions of Subsection III(g)(i).

Dividends on the Series 2 Shares shall accrue daily from and including the date of issue of such shares.

- (iii) Dividend for Other than a Full Quarterly Floating Rate Period. The holders of Series 2 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board out of moneys of the

Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends for any period which is less than a full Quarterly Floating Rate Period, in an amount per share with respect to any Series 2 Share:

- (A) which is issued, redeemed or converted during any Quarterly Floating Rate Period;
- (B) where the assets of the Corporation are distributed to the holders of the Series 2 Shares pursuant to Subsection III(j) with an effective date during any Quarterly Floating Rate Period; or
- (C) in any other circumstance where the number of days in a Quarterly Floating Rate Period that such share has been outstanding is less than a full Quarterly Floating Rate Period;

equal to the amount (rounded to five decimal places) obtained when the amount of the Quarterly Dividend payable in respect of the applicable full Quarterly Floating Rate Period is multiplied by a fraction, the numerator of which is the number of calendar days in such Quarterly Floating Rate Period that such share has been outstanding (excluding the date of redemption or conversion, the effective date for the distribution of assets or the last day of the applicable shorter period, as applicable) and the denominator of which is the number of calendar days in such Quarterly Floating Rate Period.

- (iv) Payment Procedure. The Corporation shall pay the dividends declared on the Series 2 Shares on the relevant Dividend Payment Date (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 2 Shares (in the manner provided for in Subsection III(g)(i)) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.
- (v) Cumulative Payment of Dividends. If on any Dividend Payment Date, the Quarterly Dividends payable in respect of the Dividend Period ending in the calendar month in which such Dividend Payment Date occurs are not paid in full on all of the Series 2 Shares then outstanding, such Quarterly Dividends, or the unpaid part thereof, shall be paid (less any tax required to be deducted or withheld by the Corporation) on a subsequent date or dates determined by

the Board on which the Corporation shall have sufficient moneys properly applicable to the payment of such Quarterly Dividends. The holder of Series 2 Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

(b) Redemption, Conversion and Purchase

- (i) General. Subject to Subsection III(d), and to the extent permitted by applicable law, the Series 2 Shares may be redeemed, converted or purchased by the Corporation as provided in this Subsection III(b) but not otherwise.
- (ii) Corporation's Redemption Rights. The Series 2 Shares shall not be redeemable by the Corporation on or prior to September 30, 2015. On any Series 2 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 2 Shares, at its option, by the payment in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the "**Conversion Date Redemption Price**").

On any date after September 30, 2015 that is not a Series 2 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 2 Shares, at its option, by payment in cash of \$25.50 per share so redeemed together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the "**Non-Conversion Date Redemption Price**").

Where applicable, if less than all of the then outstanding Series 2 Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, with the consent of any applicable stock exchange, in such other manner as the Board may in its sole discretion determine by resolution.

- (iii) Notice of Redemption. Notice of any redemption of Series 2 Shares pursuant to Subsection III(b)(ii) shall be given to each holder of Series 2 Shares to be redeemed by the Corporation at least 30 and not more than 60 days prior to the date fixed for redemption. Any notice of redemption of Series 2 Shares by the Corporation shall be validly and effectively given on the date on which it is sent to each holder of Series 2 Shares to be redeemed in the manner provided for in Subsection III(g)(i). Such notice shall set out:
- (A) the date (the "**Redemption Date**") on which the redemption is to take place;
- (B) unless all the Series 2 Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 2 Shares so held which are to be redeemed; and

- (C) the Conversion Date Redemption Price or the Non-Conversion Date Redemption Price, as applicable (such applicable redemption price referred to hereinafter as the “Redemption Price”).
- (iv) Payment of Redemption Price. The Corporation shall on the Redemption Date pay or cause to be paid to the holders of the Series 2 Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted or withheld by the Corporation) on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Toronto or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 2 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque (in the manner provided for in Subsection III(g)(i)) shall be a full and complete discharge of the Corporation’s obligation to pay the Redemption Price owed to the holders of Series 2 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series 2 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 2 Shares in respect of such shares except the right to receive the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series 2 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.
- (v) Deposit of Redemption Price. The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price for the Series 2 Shares thereby called for redemption (less any tax required to be deducted or withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption in trust for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 2 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the Redemption Date and the rights of each holder thereof shall be limited to receiving, without interest, the holder’s proportionate part (after taking into account any amounts required to be deducted or withheld on account of tax in respect of such holder) of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series 2 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption moneys which remain unclaimed for a period of

six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

- (vi) Declaration of Dividends in Respect of Shares to be Redeemed. If a dividend is declared by the Board in respect of any Quarterly Floating Rate Period during which the Series 2 Shares are redeemed, notwithstanding the provisions of Subsection III(a)(iv), no electronic funds transfer or cheque shall be made or issued in payment of such dividend; rather, the amount of such dividend declared shall be considered to be an accrued and unpaid dividend for purposes of Subsection III(b)(ii).

- (vii) Conversion at the Option of the Holder. Subject to the second paragraph of Subsection III(b)(viii), Subsection III(b)(ix) and Subsection III(b)(x), each holder of Series 2 Shares shall have the right, at its option, on any Series 2 Conversion Date, to convert all or any part of its Series 2 Shares registered in its name into Cumulative Rate Reset Preferred Shares, Series 1 (the “**Series 1 Shares**”) on the basis of one Series 1 Share for each Series 2 Share converted. Such right may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30th day prior to and not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series 2 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places designated by the Corporation. If a Series 2 Conversion Date falls on a day that is not a Business Day, such Series 2 Conversion Date shall be the immediately following Business Day. On any conversion of Series 2 Shares into Series 1 Shares, the certificates representing the Series 1 Shares resulting from the conversion of Series 2 Shares to which such holder is entitled shall be issued in the name of the holder of the Series 2 Shares converted or in such name or names as such holder may direct in writing; provided that such holder shall pay any applicable security transfer taxes. Any Election Notice shall be accompanied by (1) payment or evidence of payment of the tax (if any) payable; and (2) the certificate or certificates representing the Series 2 Shares in respect of which the holder thereof desires to convert into Series 1 Shares with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Election Notice such holder may elect to convert part only of the Series 2 Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 2 Shares represented by such certificate or certificates that have not been converted. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 2 Conversion Date, so that the rights of the holder of such Series 2 Shares as the holder thereof shall cease at such time and the person or persons entitled to receive the Series 1 Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 1 Shares at such time. An Election Notice is irrevocable once received by the Corporation. If the Corporation does not receive an Election Notice within the specified time, the Series 2 Shares shall be deemed not to have been converted (subject to Subsection III(b)(ix)).

- (viii) Notice of Conversion Date and Dividend Rates and Election Notice. The Corporation shall, at least 30 days and not more than 60 days prior to each Series 2 Conversion Date, provide notice in writing to the then registered holders of the Series 2 Shares of the Series 2 Conversion Date and a form of Election Notice as specified by the Corporation. On the 30th day prior to each Series 2 Conversion Date, the Corporation shall give notice in writing to the registered holders of the Series 2 Shares of the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 1 Shares for the next Subsequent Fixed Rate Period (as such terms are defined in the Series 1 Share Provisions).

If the Corporation gives notice pursuant to Subsection III(b)(iii) to the registered holders of the Series 2 Shares of the redemption of all Series 2 Shares pursuant to Subsection III(b)(ii), it shall not be required to give notice to the holders of the Series 2 Shares of any dividend rates or of the conversion right of holders of Series 2 Shares and the right of holders of Series 2 Shares to convert such shares pursuant to Subsection III(b)(vii) shall terminate.

- (ix) Automatic Conversion. If the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 2 Shares, after having taken into account all Election Notices in respect of Series 2 Shares duly tendered for conversion into Series 1 Shares and all Election Notices in respect of Series 1 Shares duly tendered for conversion into Series 2 Shares in accordance with the Series 1 Share Provisions, in each case received by the Corporation during the time fixed therefor then, all, but not part, of the remaining outstanding Series 2 Shares will automatically be converted into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share on the applicable Series 2 Conversion Date. The Corporation shall give notice in writing of the automatic conversion thereof to all holders of the Series 2 Shares at least seven days prior to the applicable Series 2 Conversion Date.
- (x) Restrictions on Conversion. The holders of Series 2 Shares shall not be entitled to convert their shares into Series 1 Shares if the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 1 Shares after having taken into account all Election Notices in respect of Series 2 Shares duly tendered for conversion into Series 1 Shares and all Election Notices in respect of Series 1 Shares duly tendered for conversion into Series 2 Shares in accordance with the Series 1 Share Provisions, in each case received by the Corporation during the time fixed therefor. The Corporation shall give notice in writing of the inability to convert Series 2 Shares to all holders of the Series 2 Shares at least seven days prior to the applicable Series 2 Conversion Date.
- (xi) Non-Residents. The Corporation is not required to (but may at its option) issue Series 1 Shares upon the conversion of Series 2 Shares into Series 1 Shares to any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take

any action to comply with the securities laws or analogous laws of such jurisdiction.

- (xii) Purchase for Cancellation. Subject to applicable laws and to the provisions described in Subsection III(d), the Corporation may at any time purchase (if obtainable) for cancellation all or any number of the Series 2 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 2 Shares or otherwise, at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable.
- (xiii) Conversion - General. On the conversion of a Series 2 Share to a Series 1 Share pursuant to the terms of these Series 2 Share Provisions, each such Series 2 Share shall become an issued Series 1 Share and the number of unissued Series 2 Shares shall be increased by the number of Series 2 Shares that became Series 1 Shares.

(c) Voting Rights

- (i) Voting Rights - General. Except as otherwise required by law or in the conditions attaching to the Preferred Shares as a class, the holders of Series 2 Shares shall not be entitled to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 2 Shares shall be entitled to receive notice of all meetings of shareholders of the Corporation and to attend thereat (other than a separate meeting of the holders of another series or class of shares), and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series 2 Share held by each such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease unless and until the Corporation shall again fail to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends, in which event such voting rights shall become effective again and so on from time to time.

(d) Restrictions on Dividends, Retirement and Issuance of Shares

So long as any of the Series 2 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Series 2 Shares:

- (i) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 2 Shares) on any shares of the Corporation ranking as to dividends junior to the Series 2 Shares;
- (ii) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series 2 Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 2 Shares;
- (iii) redeem or call for redemption, purchase for cancellation or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 2 Shares then outstanding; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares, ranking as to capital or dividends on a parity with the Series 2 Shares,

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 2 Shares have been declared and paid or moneys set apart for payment.

(e) Issue Price

The consideration for which each Series 2 Share shall be issued is \$25.00 and, upon payment of such consideration, each such share shall be issued as fully paid and non-assessable.

In the event of a conversion of a Series 1 Share to a Series 2 Share the amount to be deducted from the stated capital account maintained for the Series 1 Shares and added to the stated capital account maintained for the Series 2 Shares will be \$25.00 per share so converted.

(f) Election Under the Income Tax Act

The Corporation shall elect in the manner and within the time provided under the Tax Act, under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate holders will not be required to pay tax on dividends received on the Series 2 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

(g) Notice and Interpretation

- (i) Notices. Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid,

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

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

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

- (A) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
 - (B) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Toronto, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (A) above, provided that as soon as the Board determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.
- (ii) Interpretation. If any day on which any dividend on the Series 2 Shares is payable, on which any Redemption Date or any Series 2 Conversion Date shall occur, or on or by which any other action is required or permitted to be taken hereunder is not a Business Day, then such dividend shall be payable, such Series 2 Conversion Date shall occur or such other action shall be

required or permitted to be taken on the immediately following day that is a Business Day.

If a holder of Series 2 Shares is entitled to a cheque and such cheque is not received by the holder, or if the cheque is lost or destroyed, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder of the Series 2 Shares a replacement cheque for the amount of the original cheque.

The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 2 Shares under these Series 2 Share provisions any amount required by law to be deducted or withheld from that payment.

Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute that may be enacted in substitution of that statute.

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

For the purposes hereof:

- (A) **“Business Day”** means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office;
- (B) **“Floating Quarterly Dividend Rate”** means, for any Quarterly Floating Rate Period, the rate (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 plus 2.80% per annum (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365);
- (C) **“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;
- (D) **“in priority to”, “on a parity with” and “junior to”** have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (E) **“Quarterly Commencement Date”** means the last day of each of March, June, September and December in each year;

- (F) **“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period from and including September 30, 2015 to, but excluding, December 31, 2015 and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next succeeding Quarterly Commencement Date;
- (G) **“ranking as to capital”** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (H) **“ranking as to dividends”** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation;
- (I) **“Series 1 Share Provisions”** means the designation, rights, privileges, restrictions and conditions of the Series 1 Shares;
- (J) **“Series 2 Conversion Date”** means September 30, 2020 and September 30 of every fifth year thereafter;
- (K) **“Series 2 Share Provisions”** means the designation, rights, privileges, restrictions and conditions of the Series 2 Shares;
- (L) **“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on 90-day 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; and
- (M) **“Transfer Agent”** means Computershare Trust Company of Canada at its principal transfer office in Toronto, Ontario, its successors and assigns, or such other person as from time to time may be appointed as the registrar and transfer agent for the Series 2 Shares.

(h) Modification

Subject to Subsection III(b)(ii), the designation, rights, privileges, restrictions and conditions attaching to the Series 2 Shares as a series may be repealed, deleted, varied, modified, amended or amplified from time to time only with the approval of the holders of the Series 2 Shares given in accordance with the OBCA and Subsection III(i) and with any required approvals of any stock exchanges on which the Series 2 Shares may be listed.

(i) Approval of Holders of Series 2 Shares

(i) Approval of Holders of Series 2 Shares. Except as otherwise provided in this Part B, any approval of the holders of the Series 2 Shares with respect to any matters requiring the consent of such holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of at least two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of 10% of the outstanding Series 2 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of 10% of the outstanding Series 2 Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting the holders(s) of Series 2 Shares present in person or represented by proxy shall form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of at least two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series 2 Shares. At any meeting of holders of Series 2 Shares as a series, each such holder shall be entitled to one vote in respect of each share held.

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

(j) Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 2 Shares, the holders of the Series 2 Shares shall rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Series 2 Shares shall be entitled to receive an amount equal to \$25.00 per Series 2 Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares of the Corporation ranking junior as to capital to the Series 2 Shares. Upon payment to the holders of the Series 2 Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

(k) Withholding Taxes

- (i) Withholding Taxes. For greater certainty, and notwithstanding any other provision of this Section III, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted or withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 2 Shares, including on the redemption, cancellation or conversion of the Series 2 Shares. To the extent that any amounts are deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such deduction or withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of all or any number of Series 1 Shares otherwise deliverable to a holder of Series 2 Shares on the conversion of such Series 2 Shares in order to meet any tax deduction or withholding tax requirements.
- (ii) Transfer Taxes. For greater certainty, and notwithstanding any other provision of this Section III, the Corporation shall not be required to pay any tax which may be:
- (A) imposed upon the person or persons to whom Series 1 Shares are issued,
 - (B) payable in respect of the issuance of such Series 1 Shares or a certificate therefor, or
 - (C) payable in respect of any transfer involved in the issuance and delivery of any certificate in the name or names other than that of the holder of the Series 2 Shares,

in connection with the conversion of Series 2 Shares into Series 1 Shares. The Corporation may refuse to issue any Series 1 Shares or deliver any such Series 1 Share certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or is otherwise not required to be paid in the circumstances.

IV. CUMULATIVE RATE RESET PREFERRED SHARES, SERIES 3

The Cumulative Rate Reset Preferred Shares, Series 3 (the "Series 3 Shares") in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Dividends

- (i) Dividend Periods And Dividend Payment Dates. A "Dividend Period" means the period from and including the date of initial issue of the Series 3 Shares to, but excluding, June 30, 2012 and, thereafter, the next succeeding period that is from and including the last calendar day (each, a "Quarter End Date") of each of the months of March, June, September and December in each year, as the case may be, to but excluding the next succeeding

Quarter End Date. The dividend payment dates (the “**Dividend Payment Dates**”) in respect of the dividends payable on the Series 3 Shares shall be the last Business Day of each of the months of March, June, September and December in each year.

(ii) Payment of Dividends.

(A) During the Initial Fixed Rate Period and each Subsequent Fixed Rate Period, the holders of Series 3 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board, out of moneys of the Corporation properly applicable to the payment of dividends, fixed, cumulative, preferential cash dividends (the “**Quarterly Dividends**”) in the amounts set forth in Subsection IV(a)(ii)(B) payable, with respect to each Dividend Period, on the Dividend Payment Date in respect of such Dividend Period.

(B) Subject to Subsection IV(a)(iii), for all Dividend Periods during:

(1) the Initial Fixed Rate Period, each Quarterly Dividend shall be in an amount equal to \$0.3125 per Series 3 Share; and

(2) each Subsequent Fixed Rate Period, each Quarterly Dividend shall be in an amount per Series 3 Share equal to the result of the following calculation: $\frac{1}{4} \times [(\$25.00 \times \text{AFDR})]$, where “**AFDR**” means the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period.

(C) The Corporation shall determine the Annual Fixed Dividend Rate for each Subsequent Fixed Rate Period on the relevant Fixed Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding on the Corporation and all holders of Series 3 Shares. The Corporation shall, on the relevant Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 3 Shares in accordance with the provisions of Subsection IV(g)(i).

(D) Dividends on the Series 3 Shares shall accrue daily from and including the date of issue of such shares.

(iii) Dividend for Other Than a Full Dividend Period. The holders of Series 3 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends for any period which is less than a full Dividend Period, as follows:

(A) an initial dividend in respect of the period from and including the date of the initial issue of the Series 3 Shares to but excluding June 30, 2012 in an amount per Series 3 Share equal to \$1.25 multiplied by a fraction, the numerator of which is the number of calendar days

from and including the date of the initial issue of the Series 3 Shares to but excluding June 30, 2012 and the denominator of which is 365, (which, if the Series 3 Shares are issued on May 24, 2012, shall be \$0.1267 per Series 3 Share); and

- (B) a dividend in an amount per share with respect to any Series 3 Share:
- (1) which is issued, redeemed or converted during any Dividend Period;
 - (2) where the assets of the Corporation are distributed to the holders of the Series 3 Shares pursuant to Subsection IV(j) with an effective date during any Dividend Period; or
 - (3) in any other circumstance where the number of days in a Dividend Period that such share has been outstanding is less than a full Dividend Period (other than the period referred to in Subsection IV(a)(iii)(A)),

equal to the amount obtained when the amount of the Quarterly Dividend payable in respect of the applicable full Dividend Period is multiplied by a fraction, the numerator of which is the number of calendar days in such Dividend Period that such share has been outstanding (excluding the date of redemption or conversion, the effective date for the distribution of assets or the last day of the applicable shorter period, as applicable) and the denominator of which is the number of calendar days in such Dividend Period.

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

full on all of the Series 3 Shares then outstanding, such Quarterly Dividends, or the unpaid part thereof, shall be paid (less any tax required to be deducted or withheld by the Corporation) on a subsequent date or dates determined by the Board on which the Corporation shall have sufficient moneys properly applicable to the payment of such Quarterly Dividends. The holder of Series 3 Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

(b) Redemption, Conversion and Purchase

- (i) General. Subject to Subsection IV(d), and to the extent permitted by applicable law, the Series 3 Shares may be redeemed, converted or purchased by the Corporation as provided in this Subsection IV(b) but not otherwise.
- (ii) Corporation's Redemption Rights. The Series 3 Shares shall not be redeemable by the Corporation prior to December 31, 2017. On any Series 3 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 3 Shares, at its option, by the payment in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the "**Redemption Price**"). Where applicable, if less than all of the outstanding Series 3 Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, with the consent of any applicable stock exchange, in such other manner as the Board may in its sole discretion determine by resolution.
- (iii) Notice of Redemption. Notice of any redemption of Series 3 Shares pursuant to Subsection IV(b)(ii) shall be given to each holder of Series 3 Shares to be redeemed by the Corporation at least 30 and not more than 60 days prior to the date fixed for redemption. Any notice of redemption of Series 3 Shares by the Corporation shall be validly and effectively given on the date on which it is sent to each holder of Series 3 Shares to be redeemed in the manner provided for in Subsection IV(g)(i). Such notice shall set out:
- (A) the date (the "**Redemption Date**") on which the redemption is to take place;
 - (B) unless all the Series 3 Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 3 Shares so held which are to be redeemed; and
 - (C) the Redemption Price.
- (iv) Payment of Redemption Price. The Corporation shall on the Redemption Date pay or cause to be paid to the holders of the Series 3 Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted or withheld by the Corporation) on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Toronto or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 3 Shares so called for

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

- (v) Deposit of Redemption Price. The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price for the Series 3 Shares thereby called for redemption (less any tax required to be deducted or withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption in trust for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 3 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the Redemption Date and the rights of each holder thereof shall be limited to receiving, without interest, the holder's proportionate part (after taking into account any amounts required to be deducted or withheld on account of tax in respect of such holder) of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series 3 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.
- (vi) Declaration of Dividends in Respect of Shares to be Redeemed. If a dividend is declared by the Board in respect of any Dividend Period during which the Series 3 Shares are redeemed, notwithstanding the provisions of Subsection IV(a)(iv), no electronic funds transfer or cheque shall be made or issued in payment of such dividend; rather, the amount of such dividend declared shall be considered to be an accrued and unpaid dividend for purposes of Subsection IV(b)(ii).

- (vii) Conversion at the Option of the Holder. Subject to the second paragraph of Subsection IV(b)(viii), Subsection IV(b)(ix) and Subsection IV(b)(x), each holder of Series 3 Shares shall have the right, at its option, on any Series 3 Conversion Date, to convert all or any part of its Series 3 Shares registered in its name into Cumulative Floating Rate Preferred Shares, Series 4 (the "Series 4 Shares") on the basis of one Series 4 Share for each Series 3 Share converted. Such right may be exercised by notice in writing (an "Election Notice") given not earlier than the 30th day prior to, and not later than 5:00 p.m. (Toronto time) on the 15th day preceding, the applicable Series 3 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places designated by the Corporation. If a Series 3 Conversion Date falls on a day that is not a Business Day, such Series 3 Conversion Date shall be the immediately following Business Day. On any conversion of Series 3 Shares into Series 4 Shares, the certificates representing the Series 4 Shares resulting from the conversion of Series 3 Shares to which such holder is entitled shall be issued in the name of the holder of the Series 3 Shares converted or in such name or names as such holder may direct in writing; provided that such holder shall pay any applicable security transfer taxes. Any Election Notice shall be accompanied by (1) payment or evidence of payment of the tax (if any) payable; and (2) the certificate or certificates representing the Series 3 Shares in respect of which the holder thereof desires to convert into Series 4 Shares with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Election Notice such holder may elect to convert part only of the Series 3 Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 3 Shares represented by such certificate or certificates that have not been converted. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 3 Conversion Date, so that the rights of the holder of such Series 3 Shares as the holder thereof shall cease at such time and the person or persons entitled to receive the Series 4 Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 4 Shares at such time. An Election Notice is irrevocable once received by the Corporation. If the Corporation does not receive an Election Notice within the specified time, the Series 3 Shares shall be deemed not to have been converted (subject to Subsection IV(b)(ix)).
- (viii) Notice of Conversion Rate and Dividend Rates and Election Notice. The Corporation shall, at least 30 days and not more than 60 days prior to each Series 3 Conversion Date, provide notice in writing to the then registered holders of the Series 3 Shares of the Series 3 Conversion Date and a form of Election Notice as specified by the Corporation. On the 30th day prior to each Series 3 Conversion Date, the Corporation shall give notice in writing to the registered holders of the Series 3 Shares of the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period (as these terms are defined in the Series 4 Share Provisions).

If the Corporation gives notice pursuant to Subsection IV(b)(iii) to the registered holders of the Series 3 Shares of the redemption of all Series 3 Shares pursuant to Subsection IV(b)(ii), it shall not be required to give notice to the holders of the Series 3 Shares of any dividend rates or of the conversion right of holders of Series 3 Shares and the right of holders of Series 3 Shares to convert such shares pursuant to Subsection IV(b)(vii) shall terminate.

- (ix) Automatic Conversion. If the Corporation determines that there would remain outstanding on a Series 3 Conversion Date less than 1,000,000 Series 3 Shares, after having taken into account all Election Notices in respect of Series 3 Shares duly tendered for conversion into Series 4 Shares and all Election Notices in respect of Series 4 Shares duly tendered for conversion into Series 3 Shares in accordance with the Series 4 Share Provisions, in each case received by the Corporation during the time fixed therefor, then, all, but not part, of the remaining outstanding Series 3 Shares will automatically be converted into Series 4 Shares on the basis of one Series 4 Share for each Series 3 Share on the applicable Series 3 Conversion Date. The Corporation shall give notice in writing of the automatic conversion thereof to all holders of the Series 3 Shares at least seven days prior to the applicable Series 3 Conversion Date.
- (x) Restrictions on Conversion. The holders of Series 3 Shares shall not be entitled to convert their shares into Series 4 Shares if the Corporation determines that there would remain outstanding on a Series 3 Conversion Date less than 1,000,000 Series 4 Shares after having taken into account all Election Notices in respect of Series 3 Shares duly tendered for conversion into Series 4 Shares and all Election Notices in respect of Series 4 Shares duly tendered for conversion into Series 3 Shares in accordance with the Series 4 Share Provisions, in each case received by the Corporation during the time fixed therefor. The Corporation shall give notice in writing of the inability to convert Series 3 Shares to all holders of the Series 3 Shares at least seven days prior to the applicable Series 3 Conversion Date.
- (xi) Non-Residents. The Corporation is not required to (but may at its option) issue Series 4 Shares upon the conversion of Series 3 Shares into Series 4 Shares to any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities laws or analogous laws of such jurisdiction.
- (xii) Purchase for Cancellation. Subject to applicable laws and to the provisions described in Subsection IV(d), the Corporation may at any time purchase (if obtainable) for cancellation all or any number of the Series 3 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 3 Shares or otherwise, at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable.

- (xiii) Conversion - General. On the conversion of a Series 3 Share to a Series 4 Share pursuant to the terms of these Series 3 Share Provisions, each such Series 3 Share shall become an issued Series 4 Share and the number of unissued Series 3 Shares shall be increased by the number of Series 3 Shares that became Series 4 Shares.

(c) Voting Rights

Voting Rights - General. Except as otherwise required by law or in the conditions attaching to the Preferred Shares as a class, the holders of Series 3 Shares shall not be entitled to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 3 Shares shall be entitled to receive notice of all meetings of shareholders of the Corporation and to attend thereat (other than a separate meeting of the holders of another series or class of shares), and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series 3 Share held by each such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease unless and until the Corporation shall again fail to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends, in which event such voting rights shall become effective again and so on from time to time.

(d) Restrictions on Dividends, Retirement and Issuance of Shares

So long as any of the Series 3 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Series 3 Shares:

- (i) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 3 Shares) on any shares of the Corporation ranking as to dividends junior to the Series 3 Shares;
- (ii) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series 3 Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 3 Shares;

- (iii) redeem or call for redemption, purchase for cancellation or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 3 Shares then outstanding; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares, ranking as to capital or dividends on a parity with the Series 3 Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 3 Shares have been declared and paid or moneys set apart for payment.

(e) Issue Price

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

In the event of a conversion of a Series 4 Share into a Series 3 Share, the amount to be deducted from the stated capital account maintained for the Series 4 Shares and added to the stated capital account maintained for the Series 3 Shares will be \$25.00 per share so converted.

(f) Election under the *Income Tax Act* (Canada)

The Corporation shall elect in the manner and within the time provided under the *Income Tax Act* (Canada) (the "Tax Act"), under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate holders will not be required to pay tax on dividends received on the Series 3 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

(g) Notice and Interpretation

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

but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

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

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

- (A) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
 - (B) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Toronto, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (A) above, provided that as soon as the Board determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.
- (ii) Interpretation. If any day on which any dividend on the Series 3 Shares is payable, on which any Redemption Date or any Series 3 Conversion Date shall occur, or on or by which any other action is required or permitted to be taken hereunder is not a Business Day, then such dividend shall be payable, such Series 3 Conversion Date shall occur or such other action shall be required or permitted to be taken on the immediately following day that is a Business Day.

If a holder of Series 3 Shares is entitled to a cheque and such cheque is not received by the holder, or if the cheque is lost or destroyed, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder of the Series 3 Shares a replacement cheque for the amount of the original cheque.

The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 3 Shares under these Series 3 Share provisions any amount required by law to be deducted or withheld from that payment.

Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute that may be enacted in substitution of that statute.

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

For the purposes hereof:

- (A) **“Annual Fixed Dividend Rate”** means, for any Subsequent Fixed Rate Period, the annual rate (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 plus 3.46%;
- (B) **“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 page on that service) for purposes of displaying Government of Canada Yields;
- (C) **“Business Day”** means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office;
- (D) **“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;
- (E) **“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 which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years;
- (F) **“in priority to”, “on a parity with” and “junior to”** have reference to the order of priority in payment of dividends and in the

distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

- (G) **“Initial Fixed Rate Period”** means the period from and including the date of the initial issue of the Series 3 Shares to, but excluding, December 31, 2017;
- (H) **“Quarter End Date”** has the meaning given to it in Subsection IV(a)(i);
- (I) **“ranking as to capital”** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (J) **“ranking as to dividends”** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation;
- (K) **“Series 3 Conversion Date”** means December 31, 2017 and December 31 of every fifth year thereafter;
- (L) **“Series 3 Share Provisions”** means the designation, rights, privileges, restrictions and conditions of the Series 3 Shares;
- (M) **“Series 4 Share Provisions”** means the designation, rights, privileges, restrictions and conditions of the Series 4 Shares;
- (N) **“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2017 to, but excluding, December 31, 2022 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, December 31 in the fifth year thereafter; and
- (O) **“Transfer Agent”** means Computershare Trust Company of Canada at its principal transfer office in Toronto, Ontario, its successors and assigns, or such other person as from time to time may be appointed as the registrar and transfer agent for the Series 3 Shares.

(h) Modification

Subject to Subsection IV(b)(ii), the designation, rights, privileges, restrictions and conditions attaching to the Series 3 Shares as a series may be repealed, deleted, varied, modified, amended or amplified from time to time only with the approval of the holders of the Series 3 Shares given in accordance with the OBCA and

Subsection IV(i) and with any required approvals of any stock exchanges on which the Series 3 Shares may be listed.

(i) Approval of Holders of Series 3 Shares

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

(ii) Formalities, etc. The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of holders of the Series 3 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 3 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 3 Share held.

(j) Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 3 Shares, the holders of the Series 3 Shares shall rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Series 3 Shares shall be entitled to receive an amount equal to \$25.00 per Series 3 Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares of the Corporation ranking junior as to capital to the Series 3 Shares. Upon payment to

the holders of the Series 3 Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

(k) Withholding Taxes

(i) Withholding Taxes. For greater certainty, and notwithstanding any other provision of this Section IV, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted or withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 3 Shares, including on the redemption, cancellation or conversion of the Series 3 Shares. To the extent that any amounts are deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such deduction or withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of all or any number of Series 4 Shares otherwise deliverable to a holder of Series 3 Shares on the conversion of such Series 3 Shares in order to meet any applicable tax deduction or withholding tax requirements.

(ii) Transfer Taxes. For greater certainty, and notwithstanding any other provision of this Section IV, the Corporation shall not be required to pay any tax which may be:

- (A) imposed upon the person or persons to whom Series 4 Shares are issued,
- (B) payable in respect of the issuance of such Series 4 Shares or a certificate therefor, or
- (C) payable in respect of any transfer involved in the issuance and delivery of any certificate in the name or names other than that of the holder of the Series 3 Shares,

in connection with the conversion of Series 3 Shares into Series 4 Shares. The Corporation may refuse to issue any Series 4 Share or deliver any such Series 4 Share certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or is otherwise not required to be paid in the circumstances.

V. CUMULATIVE FLOATING RATE PREFERRED SHARES, SERIES 4

The Cumulative Floating Rate Preferred Shares, Series 4 (the "Series 4 Shares") in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

(a) Dividends

(i) Dividend Payment Dates. The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series 4 Shares

shall be the last Business Day of each of the months of March, June, September and December in each year.

- (ii) Payment of Dividends. The holders of Series 4 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board, out of moneys of the Corporation properly applicable to the payment of dividends, quarterly floating rate, cumulative, preferential cash dividends in respect of each Quarterly Floating Rate Period in an amount per Series 4 Share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00 (“**Quarterly Dividends**”).

The Corporation shall determine the Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period on the relevant Floating Rate Calculation Date. Such determination shall be, in the absence of manifest error, final and binding on the Corporation and all holders of Series 4 Shares. The Corporation shall, on the relevant 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 outstanding Series 4 Shares in accordance with the provisions of Subsection V(g)(i).

Dividends on the Series 4 Shares shall accrue daily from and including the date of issue of such shares.

- (iii) Dividend for Other than a Full Quarterly Floating Rate Period. The holders of Series 4 Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends for any period which is less than a full Quarterly Floating Rate Period, in an amount per share with respect to any Series 4 Share:

- (A) which is issued, redeemed or converted during any Quarterly Floating Rate Period;
- (B) where the assets of the Corporation are distributed to the holders of the Series 4 Shares pursuant to Subsection V(j) with an effective date during any Quarterly Floating Rate Period; or
- (C) in any other circumstance where the number of days in a Quarterly Floating Rate Period that such share has been outstanding is less than a full Quarterly Floating Rate Period;

equal to the amount (rounded to five decimal places) obtained when the amount of the Quarterly Dividend payable in respect of the applicable full Quarterly Floating Rate Period is multiplied by a fraction, the numerator of which is the number of calendar days in such Quarterly Floating Rate Period that such share has been outstanding (excluding the date of redemption or conversion, the effective date for the distribution of assets or the last day of the applicable shorter period, as applicable) and the denominator of which is the number of calendar days in such Quarterly Floating Rate Period.

- (iv) Payment Procedure. The Corporation shall pay the dividends declared on the Series 4 Shares on the relevant Dividend Payment Date (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series 4 Shares (in the manner provided for in Subsection V(g)(i)) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.
- (v) Cumulative Payment of Dividends. If on any Dividend Payment Date, the Quarterly Dividends payable in respect of the Dividend Period ending in the calendar month in which such Dividend Payment Date occurs are not paid in full on all of the Series 4 Shares then outstanding, such Quarterly Dividends, or the unpaid part thereof, shall be paid (less any tax required to be deducted or withheld by the Corporation) on a subsequent date or dates determined by the Board on which the Corporation shall have sufficient moneys properly applicable to the payment of such Quarterly Dividends. The holder of Series 4 Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

(b) Redemption, Conversion and Purchase

- (i) General. Subject to Subsection V(d), and to the extent permitted by applicable law, the Series 4 Shares may be redeemed, converted or purchased by the Corporation as provided in this Subsection V(b) but not otherwise.
- (ii) Corporation's Redemption Rights. The Series 4 Shares shall not be redeemable by the Corporation on or prior to December 31, 2017. On any Series 4 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 4 Shares, at its option, by the payment in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the "Conversion Date Redemption Price").

On any date after December 31, 2017 that is not a Series 4 Conversion Date, the Corporation may redeem all or any number of the outstanding Series 4 Shares, at its option, by payment in cash of \$25.50 per share so redeemed together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or

withheld by the Corporation) (the “**Non-Conversion Date Redemption Price**”).

Where applicable, if less than all of the then outstanding Series 4 Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, with the consent of any applicable stock exchange, in such other manner as the Board may in its sole discretion determine by resolution.

- (iii) Notice of Redemption. Notice of any redemption of Series 4 Shares pursuant to Subsection V(b)(ii) shall be given to each holder of Series 4 Shares to be redeemed by the Corporation at least 30 and not more than 60 days prior to the date fixed for redemption. Any notice of redemption of Series 4 Shares by the Corporation shall be validly and effectively given on the date on which it is sent to each holder of Series 4 Shares to be redeemed in the manner provided for in Subsection V(g)(i). Such notice shall set out:
- (A) the date (the “**Redemption Date**”) on which the redemption is to take place;
 - (B) unless all the Series 4 Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 4 Shares so held which are to be redeemed; and
 - (C) the Conversion Date Redemption Price or the Non-Conversion Date Redemption Price, as applicable (such applicable redemption price referred to hereinafter as the “**Redemption Price**”).
- (iv) Payment of Redemption Price. The Corporation shall on the Redemption Date pay or cause to be paid to the holders of the Series 4 Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted or withheld by the Corporation) on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Toronto or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series 4 Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque (in the manner provided for in Subsection V(g)(i)) shall be a full and complete discharge of the Corporation’s obligation to pay the Redemption Price owed to the holders of Series 4 Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted or withheld by the Corporation as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series 4 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 4 Shares in respect of such shares except the right to receive the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If

less than all the Series 4 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

- (v) Deposit of Redemption Price. The Corporation shall have the right, at any time after mailing a notice of redemption, to deposit the aggregate Redemption Price for the Series 4 Shares thereby called for redemption (less any tax required to be deducted or withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company named in the notice of redemption in trust for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 4 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed on the Redemption Date and the rights of each holder thereof shall be limited to receiving, without interest, the holder's proportionate part (after taking into account any amounts required to be deducted or withheld on account of tax in respect of such holder) of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series 4 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Subject to applicable law, redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.
- (vi) Declaration of Dividends in Respect of Shares to be Redeemed. If a dividend is declared by the Board in respect of any Quarterly Floating Rate Period during which the Series 4 Shares are redeemed, notwithstanding the provisions of Subsection V(a)(iv), no electronic funds transfer or cheque shall be made or issued in payment of such dividend; rather, the amount of such dividend declared shall be considered to be an accrued and unpaid dividend for purposes of Subsection V(b)(ii).
- (vii) Conversion at the Option of the Holder. Subject to the second paragraph of Subsection V(b)(viii), Subsection V(b)(ix) and Subsection V(b)(x), each holder of Series 4 Shares shall have the right, at its option, on any Series 4 Conversion Date, to convert all or any part of its Series 4 Shares registered in its name into Cumulative Rate Reset Preferred Shares, Series 3 (the "Series 3 Shares") on the basis of one Series 3 Share for each Series 4 Share converted. Such right may be exercised by notice in writing (an "Election Notice") given not earlier than the 30th day prior to and not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series 4 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places designated by the Corporation. If a Series 4 Conversion Date falls on a day that is not a Business Day, such Series 4 Conversion Date shall be the immediately following Business Day. On any conversion of Series 4 Shares into Series 3 Shares, the certificates representing the Series 3 Shares resulting from the conversion of Series 4 Shares to which such holder is entitled shall be issued in the name of the holder of the Series 4 Shares converted or in such name or

names as such holder may direct in writing; provided that such holder shall pay any applicable security transfer taxes. Any Election Notice shall be accompanied by (1) payment or evidence of payment of the tax (if any) payable; and (2) the certificate or certificates representing the Series 4 Shares in respect of which the holder thereof desires to convert into Series 3 Shares with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Election Notice such holder may elect to convert part only of the Series 4 Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 4 Shares represented by such certificate or certificates that have not been converted. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 4 Conversion Date, so that the rights of the holder of such Series 4 Shares as the holder thereof shall cease at such time and the person or persons entitled to receive the Series 3 Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 3 Shares at such time. An Election Notice is irrevocable once received by the Corporation. If the Corporation does not receive an Election Notice within the specified time, the Series 4 Shares shall be deemed not to have been converted (subject to Subsection V(b)(ix)).

- (viii) Notice of Conversion Date and Dividend Rates and Election Notice. The Corporation shall, at least 30 days and not more than 60 days prior to each Series 4 Conversion Date, provide notice in writing to the then registered holders of the Series 4 Shares of the Series 4 Conversion Date and a form of Election Notice as specified by the Corporation. On the 30th day prior to each Series 4 Conversion Date, the Corporation shall give notice in writing to the registered holders of the Series 4 Shares of the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 3 Shares for the next Subsequent Fixed Rate Period (as such terms are defined in the Series 3 Share Provisions).

If the Corporation gives notice pursuant to Subsection V(b)(iii) to the registered holders of the Series 4 Shares of the redemption of all Series 4 Shares pursuant to Subsection V(b)(ii), it shall not be required to give notice to the holders of the Series 4 Shares of any dividend rates or of the conversion right of holders of Series 4 Shares and the right of holders of Series 4 Shares to convert such shares pursuant to Subsection V(b)(vii) shall terminate.

- (ix) Automatic Conversion. If the Corporation determines that there would remain outstanding on a Series 4 Conversion Date less than 1,000,000 Series 4 Shares, after having taken into account all Election Notices in respect of Series 4 Shares duly tendered for conversion into Series 3 Shares and all Election Notices in respect of Series 3 Shares duly tendered for conversion into Series 4 Shares in accordance with the Series 3 Share Provisions, in each case received by the Corporation during the time fixed therefor then, all, but not part, of the remaining outstanding Series 4 Shares will automatically be

converted into Series 3 Shares on the basis of one Series 3 Share for each Series 4 Share on the applicable Series 4 Conversion Date. The Corporation shall give notice in writing of the automatic conversion thereof to all holders of the Series 4 Shares at least seven days prior to the applicable Series 4 Conversion Date.

- (x) Restrictions on Conversion. The holders of Series 4 Shares shall not be entitled to convert their shares into Series 3 Shares if the Corporation determines that there would remain outstanding on a Series 4 Conversion Date less than 1,000,000 Series 3 Shares after having taken into account all Election Notices in respect of Series 4 Shares duly tendered for conversion into Series 3 Shares and all Election Notices in respect of Series 3 Shares duly tendered for conversion into Series 4 Shares in accordance with the Series 3 Share Provisions, in each case received by the Corporation during the time fixed therefor. The Corporation shall give notice in writing of the inability to convert Series 4 Shares to all holders of the Series 4 Shares at least seven days prior to the applicable Series 4 Conversion Date.
- (xi) Non-Residents. The Corporation is not required to (but may at its option) issue Series 3 Shares upon the conversion of Series 4 Shares into Series 3 Shares to any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities laws or analogous laws of such jurisdiction.
- (xii) Purchase for Cancellation. Subject to applicable laws and to the provisions described in Subsection V(d), the Corporation may at any time purchase (if obtainable) for cancellation all or any number of the Series 4 Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series 4 Shares or otherwise, at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable.
- (xiii) Conversion - General. On the conversion of a Series 4 Share to a Series 3 Share pursuant to the terms of these Series 4 Share Provisions, each such Series 4 Share shall become an issued Series 3 Share and the number of unissued Series 4 Shares shall be increased by the number of Series 4 Shares that became Series 3 Shares.

(c) Voting Rights

Voting Rights - General. Except as otherwise required by law or in the conditions attaching to the Preferred Shares as a class, the holders of Series 4 Shares shall not be entitled to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation

properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 4 Shares shall be entitled to receive notice of all meetings of shareholders of the Corporation and to attend thereat (other than a separate meeting of the holders of another series or class of shares), and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series 4 Share held by each such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease unless and until the Corporation shall again fail to pay eight Quarterly Dividends in accordance with the terms hereof, whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends, in which event such voting rights shall become effective again and so on from time to time.

(d) Restrictions on Dividends, Retirement and Issuance of Shares

So long as any of the Series 4 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Series 4 Shares:

- (i) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 4 Shares) on any shares of the Corporation ranking as to dividends junior to the Series 4 Shares;
- (ii) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series 4 Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 4 Shares;
- (iii) redeem or call for redemption, purchase for cancellation or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 4 Shares then outstanding; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares, ranking as to capital or dividends on a parity with the Series 4 Shares,

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 4 Shares have been declared and paid or moneys set apart for payment.

(e) Issue Price

The consideration for which each Series 4 Share shall be issued is \$25.00 and, upon payment of such consideration, each such share shall be issued as fully paid and non-assessable.

In the event of a conversion of a Series 3 Share to a Series 4 Share the amount to be deducted from the stated capital account maintained for the Series 3 Shares and added to the stated capital account maintained for the Series 4 Shares will be \$25.00 per share so converted.

(f) Election under the Tax Act

The Corporation shall elect in the manner and within the time provided under the Tax Act, under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate holders will not be required to pay tax on dividends received on the Series 4 Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

(g) Notice and Interpretation

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

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

If the Board determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice

hereunder by mail, or is required to send any cheque or any share certificate to a holder, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (A) give such notice by publication thereof once in a newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
 - (B) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Toronto, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (A) above, provided that as soon as the Board determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.
- (ii) Interpretation. If any day on which any dividend on the Series 4 Shares is payable, on which any Redemption Date or any Series 4 Conversion Date shall occur, or on or by which any other action is required or permitted to be taken hereunder is not a Business Day, then such dividend shall be payable, such Series 4 Conversion Date shall occur or such other action shall be required or permitted to be taken on the immediately following day that is a Business Day.

If a holder of Series 4 Shares is entitled to a cheque and such cheque is not received by the holder, or if the cheque is lost or destroyed, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder of the Series 4 Shares a replacement cheque for the amount of the original cheque.

The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 4 Shares under these Series 4 Share provisions any amount required by law to be deducted or withheld from that payment.

Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute that may be enacted in substitution of that statute.

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

For the purposes hereof:

- (A) **“Business Day”** means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office;
- (B) **“Floating Quarterly Dividend Rate”** means, for any Quarterly Floating Rate Period, the rate (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 plus 3.46% per annum (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365);
- (C) **“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;
- (D) **“in priority to”, “on a parity with” and “junior to”** have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (E) **“Quarterly Commencement Date”** means the last day of each of March, June, September and December in each year;
- (F) **“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period from and including December 31, 2017 to, but excluding, March 31, 2018 and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next succeeding Quarterly Commencement Date;
- (G) **“ranking as to capital”** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;
- (H) **“ranking as to dividends”** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation;
- (I) **“Series 3 Share Provisions”** means the designation, rights, privileges, restrictions and conditions of the Series 3 Shares;
- (J) **“Series 4 Conversion Date”** means December 31, 2017 and December 31 of every fifth year thereafter;

- (K) “**Series 4 Share Provisions**” means the designation, rights, privileges, restrictions and conditions of the Series 4 Shares;
- (L) “**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on 90-day 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; and
- (M) “**Transfer Agent**” means Computershare Trust Company of Canada at its principal transfer office in Toronto, Ontario, its successors and assigns, or such other person as from time to time may be appointed as the registrar and transfer agent for the Series 4 Shares.

(h) Modification

Subject to Subsection V(b)(ii), the designation, rights, privileges, restrictions and conditions attaching to the Series 4 Shares as a series may be repealed, deleted, varied, modified, amended or amplified from time to time only with the approval of the holders of the Series 4 Shares given in accordance with the OBCA and Subsection V(i) and with any required approvals of any stock exchanges on which the Series 4 Shares may be listed.

(i) Approval of Holders of Series 4 Shares

- (i) Approval of Holders of Series 4 Shares. Except as otherwise provided herein, any approval of the holders of the Series 4 Shares with respect to any matters requiring the consent of such holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of at least two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of 10% of the outstanding Series 4 Shares are present in person or represented by proxy. If at any such meeting the holder(s) of 10% of the outstanding Series 4 Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days’ written notice shall be given of such adjourned meeting. At such adjourned meeting the holders(s) of Series 4 Shares present in person or represented by proxy shall form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of at least two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series 4 Shares. At any meeting of holders of Series 4 Shares as a series, each such holder shall be entitled to one vote in respect of each share held.
- (ii) Formalities, etc. The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of holders

of the Series 4 Shares shall be those required by law, as may from time to time be supplemented by the by-laws of the Corporation. On every poll taken at every meeting of holders of Series 4 Shares as a series, each holder entitled to vote thereat shall have one vote in respect of each Series 4 Share held.

(j) Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 4 Shares, the holders of the Series 4 Shares shall rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Series 4 Shares shall be entitled to receive an amount equal to \$25.00 per Series 4 Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares of the Corporation ranking junior as to capital to the Series 4 Shares. Upon payment to the holders of the Series 4 Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

(k) Withholding Taxes

(i) Withholding Taxes. For greater certainty, and notwithstanding any other provision of this Section V, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted or withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series 4 Shares, including on the redemption, cancellation or conversion of the Series 4 Shares. To the extent that any amounts are deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such deduction or withholding was made. The Corporation is hereby authorized to sell or otherwise dispose of all or any number of Series 3 Shares otherwise deliverable to a holder of Series 4 Shares on the conversion of such Series 4 Shares in order to meet any tax deduction or withholding tax requirements.

(ii) Transfer Taxes. For greater certainty, and notwithstanding any other provision of this Section V, the Corporation shall not be required to pay any tax which may be:

- (A) imposed upon the person or persons to whom Series 3 Shares are issued,
- (B) payable in respect of the issuance of such Series 3 Shares or a certificate therefor, or

(C) payable in respect of any transfer involved in the issuance and delivery of any certificate in the name or names other than that of the holder of the Series 4 Shares,

in connection with the conversion of Series 4 Shares into Series 3 Shares. The Corporation may refuse to issue any Series 3 Shares or deliver any such Series 3 Share certificate unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or is otherwise not required to be paid in the circumstances.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

The issue, transfer or ownership of shares is restricted and the restrictions are set out in Part A, Subsection II(d), Subsection III(d) and Subsection IV(d) of Section 8 herein.

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

(A) The board of directors may from time to time on behalf of the corporation, without authorization of the shareholders:

- (a) borrow money on the credit of the corporation;
- (b) issue, reissue, sell or pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness of the corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or any guarantees or any other present or future indebtedness, liability or obligation of the corporation.

The board of directors may from time to time delegate to one or more of the directors and officers of the corporation as may be designated by the board all or any of the powers herein conferred on the board to the extent and in the manner as the board shall determine at the time of such delegation.

(B) The provisions of Exhibit A attached hereto pertaining to the Plan of Arrangement of the amalgamating corporation Northland Power Inc. pursuant to an agreement dated as of May 13, 2010 as amended by an amendment to arrangement agreement dated as of December 8, 2010 form part of these Articles of Amalgamation.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.
12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

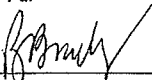
These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and original signature of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatory name and description of office (e.g. president, secretary). Only a director or authorized signing officer can sign on behalf of the corporation. / Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.

NORThLAND POWER INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Paul J. Bradley

Print name of signatory /
Nom du signataire en lettres moulées

Chief Financial Officer

Description of Office / Fonction

THOROLD COGEN MANAGEMENT INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Paul J. Bradley

Print name of signatory /
Nom du signataire en lettres moulées

Chief Financial Officer

Description of Office / Fonction

**SAINT-ULRIC SAINT-LEANDRE WIND INC./
EOLIENNES SAINT-ULRIC SAINT-LEANDRE INC.**

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Paul J. Bradley

Print name of signatory /
Nom du signataire en lettres moulées

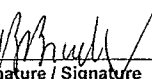
Chief Financial Officer

Description of Office / Fonction

**NORThLAND POWER WIND GP I INC./
EOLIENNES NORThLAND POWER GP I INC.**

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Paul J. Bradley

Print name of signatory /
Nom du signataire en lettres moulées

Chief Financial Officer

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

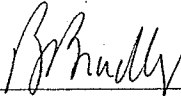
SCHEDULE "A"

STATEMENT OF DIRECTOR OR OFFICER

I, PAUL J. BRADLEY, state as follows:

1. I am the Chief Financial Officer of NORTHLAND POWER INC. and as such have knowledge of its affairs.
2. I am the Chief Financial Officer of THOROLD COGEN MANAGEMENT INC. and as such have knowledge of its affairs.
3. I am the Chief Financial Officer of SAINT-ULRIC SAINT-LÉANDRE WIND INC./ÉOLIENNES SAINT-ULRIC SAINT-LÉANDRE INC. and as such have knowledge of its affairs.
4. I am the Chief Financial Officer of and NORTHLAND POWER WIND GP I INC./ÉOLIENNES NORTHLAND POWER GP I INC. and as such have knowledge of its affairs
5. I have conducted such examinations of the books and records of NORTHLAND POWER INC., THOROLD COGEN MANAGEMENT INC., SAINT-ULRIC SAINT-LÉANDRE WIND INC./ÉOLIENNES SAINT-ULRIC SAINT-LÉANDRE INC. and NORTHLAND POWER WIND GP I INC./ÉOLIENNES NORTHLAND POWER GP I INC. (collectively, the "Amalgamating Corporations") and have made such enquiries and investigations as are necessary to enable me to make this statement.
6. There are reasonable grounds for believing that:
 - (a) each of the Amalgamating Corporations is and the corporation to be formed by their amalgamation (the "Amalgamated Corporation") will be able to pay its liabilities as they become due;
 - (b) the realizable value of the assets of the Amalgamated Corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
 - (c) no creditor of any of the Amalgamating Corporations will be prejudiced by the amalgamation.

DATED the 21st day of December, 2012.



Paul J. Bradley
Chief Financial Officer of each of the
Amalgamating Corporations

SCHEDULE "B"

NORTHLAND POWER INC.
(the "Corporation")

RESOLUTION OF THE DIRECTORS

AMALGAMATION

WHEREAS the Corporation wishes to amalgamate with one or more of its subsidiaries Saint-Ulric Saint-Léandre Wind Inc./Eoliennes Saint-Ulric Saint-Léandre Inc., Northland Power Wind GP I Inc./Eoliennes Northland Power GP I Inc. and Thorold CoGen Management Inc. (the amalgamating subsidiaries, collectively, the "Subsidiaries") under the Business Corporations Act (Ontario) (the "Act");

RESOLVED that:

1. the Corporation amalgamate with the Subsidiaries and continue as one corporation (the "Amalgamated Corporation") under subsection 177(1) of the Act effective January 1, 2013 or such other date as may be determined by any director or officer of the Corporation;
2. except as may be prescribed, the articles of amalgamation of the Amalgamated Corporation be the same as the articles of the Corporation;
3. the by-laws of the Amalgamated Corporation be the same as the by-laws of the Corporation;
4. on the issuance of a Certificate of Amalgamation under subsection 178(4) of the Act,
 - (a) all shares of each of the Subsidiaries be cancelled without any repayment of capital;
 - (b) no securities be issued and no assets be distributed by the Amalgamated Corporation in connection with the amalgamation; and
 - (c) the stated capital of the Amalgamated Corporation be the same as the stated capital of the Corporation; and
5. any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary, desirable or useful to carry out and give effect to the amalgamation of the Corporation and the Subsidiaries and to this resolution.

* * * * *

I, Linda L. Bertoldi, Secretary of the Corporation, certify that the foregoing is a true and correct copy of a resolution passed at a meeting of the board of directors of the Corporation duly held on December 13, 2012, as set forth in the minutes of the said meeting and which resolution remains in full force and effect, unamended.

DATED the 21st day of December, 2012.



Linda L. Bertoldi
Secretary

SCHEDULE "B"

THOROLD COGEN MANAGEMENT INC.
(the "Corporation")

RESOLUTION OF THE DIRECTORS

AMALGAMATION

WHEREAS the Corporation wishes to amalgamate with Northland Power Inc. ("Holdco") and Saint-Ulric Saint-Léandre Wind Inc./Éoliennes Saint-Ulric Saint-Léandre Inc. and Northland Power Wind GP I Inc./Éoliennes Northland Power GP I Inc. (collectively, the "Other Subsidiaries") under the Business Corporations Act (Ontario) (the "Act");

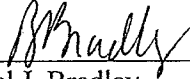
RESOLVED that

1. the Corporation amalgamate with Holdco and the Other Subsidiaries (collectively, the "Other Amalgamating Corporations") and continue as one corporation (the "Amalgamated Corporation") under subsection 177(1) of the Act effective January 1, 2013 or such other date as may be determined by any director or officer of the Corporation;
2. except as may be prescribed, the articles of amalgamation of the Amalgamated Corporation be the same as the articles of Holdco;
3. the by-laws of the Amalgamated Corporation be the same as the by-laws of Holdco;
4. on the issuance of a Certificate of Amalgamation under subsection 178(4) of the Act,
 - (a) all shares of the Corporation and the Other Subsidiaries be cancelled without any repayment of capital;
 - (b) no securities be issued and no assets be distributed by the Amalgamated Corporation in connection with the amalgamation; and
 - (c) the stated capital of the Amalgamated Corporation be the same as the stated capital of Holdco; and
5. any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary, desirable or useful to carry out and give effect to the amalgamation of the Corporation and the Other Amalgamating Corporations and to this resolution.

* * * * *

I, Paul J. Bradley, Chief Financial Officer, of the Corporation certify that the foregoing is a true and correct copy of a resolution in writing consented to by all the directors of the Corporation as of December 20, 2012 and that such resolution is in full force and effect, unamended.

DATED the 21st day of December, 2012.



Paul J. Bradley
Chief Financial Officer

SCHEDULE "B"

SAINT-ULRIC SAINT-LÉANDRE WIND INC./
ÉOLIENNES SAINT-ULRIC SAINT-LÉANDRE INC.
(the "Corporation")

RESOLUTION OF THE DIRECTORS

AMALGAMATION

WHEREAS the Corporation wishes to amalgamate with Northland Power Inc. ("Holdco") and Thorold CoGen Management Inc. and Northland Power Wind GP I Inc./Éoliennes Northland Power GP I Inc. (collectively, the "Other Subsidiaries") under the Business Corporations Act (Ontario) (the "Act");

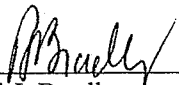
RESOLVED that

1. the Corporation amalgamate with Holdco and the Other Subsidiaries (collectively, the "Other Amalgamating Corporations") and continue as one corporation (the "Amalgamated Corporation") under subsection 177(1) of the Act effective January 1, 2013 or such other date as may be determined by any director or officer of the Corporation;
2. except as may be prescribed, the articles of amalgamation of the Amalgamated Corporation be the same as the articles of Holdco;
3. the by-laws of the Amalgamated Corporation be the same as the by-laws of Holdco;
4. on the issuance of a Certificate of Amalgamation under subsection 178(4) of the Act,
 - (a) all shares of the Corporation and the Other Subsidiaries be cancelled without any repayment of capital;
 - (b) no securities be issued and no assets be distributed by the Amalgamated Corporation in connection with the amalgamation; and
 - (c) the stated capital of the Amalgamated Corporation be the same as the stated capital of Holdco; and
5. any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary, desirable or useful to carry out and give effect to the amalgamation of the Corporation and the Other Amalgamating Corporations and to this resolution.

* * * * *

I, Paul J. Bradley, Chief Financial Officer, of the Corporation certify that the foregoing is a true and correct copy of a resolution in writing consented to by all the directors of the Corporation as of December 20, 2012 and that such resolution is in full force and effect, unamended.

DATED the 21st day of December, 2012.



Paul J. Bradley
Chief Financial Officer

SCHEDULE "B"

NORTHLAND POWER WIND GP I INC./
ÉOLIENNES NORTHLAND POWER GP I INC.
(the "Corporation")

RESOLUTION OF THE DIRECTORS

AMALGAMATION

WHEREAS the Corporation wishes to amalgamate with Northland Power Inc. ("Holdco") and Saint-Ulric Saint-Léandre Wind Inc./Éoliennes Saint-Ulric Saint-Léandre Inc. and Thorold CoGen Management Inc. (collectively, the "Other Subsidiaries") under the Business Corporations Act (Ontario) (the "Act");

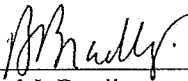
RESOLVED that

1. the Corporation amalgamate with Holdco and the Other Subsidiaries (collectively, the "Other Amalgamating Corporations") and continue as one corporation (the "Amalgamated Corporation") under subsection 177(1) of the Act effective January 1, 2013 or such other date as may be determined by any director or officer of the Corporation;
2. except as may be prescribed, the articles of amalgamation of the Amalgamated Corporation be the same as the articles of Holdco;
3. the by-laws of the Amalgamated Corporation be the same as the by-laws of Holdco;
4. on the issuance of a Certificate of Amalgamation under subsection 178(4) of the Act,
 - (a) all shares of the Corporation and the Other Subsidiaries be cancelled without any repayment of capital;
 - (b) no securities be issued and no assets be distributed by the Amalgamated Corporation in connection with the amalgamation; and
 - (c) the stated capital of the Amalgamated Corporation be the same as the stated capital of Holdco; and
5. any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary, desirable or useful to carry out and give effect to the amalgamation of the Corporation and the Other Amalgamating Corporations and to this resolution.

* * * * *

I, Paul J. Bradley, Chief Financial Officer, of the Corporation certify that the foregoing is a true and correct copy of a resolution in writing consented to by all the directors of the Corporation as of December 20, 2012 and that such resolution is in full force and effect, unamended.

DATED the 21st day of December, 2012.



Paul J. Bradley
Chief Financial Officer

EXHIBIT A

**AMENDED PLAN OF ARRANGEMENT
UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO)**

**ARTICLE 1
INTERPRETATION**

- 1.1 In this Plan of Arrangement, the following terms have the following meanings:
- (a) "**Amalco**" means the corporation resulting from the amalgamation described in clause (h) of section 3.1 of the Plan of Arrangement;
 - (b) "**Amalco Preferred Shares**" means the preferred shares in the capital of Amalco;
 - (c) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement as amended, modified or supplemented, and not to any particular article, section or other portion hereof;
 - (d) "**Arrangement Agreement**" means the agreement dated as of May 13, 2010, between the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Iroquois Falls Corp., Prefco and New Northland with respect to the Arrangement and all amendments thereto;
 - (e) "**Arrangement Resolution**" means the special resolution of the Voting Unitholders approving the Arrangement;
 - (f) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted giving effect to the Arrangement;
 - (g) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;
 - (h) "**CDS**" means CDS Clearing and Depository Services Inc.;
 - (i) "**Certificate**" means the certificate which may be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;
 - (j) "**Class A Exchangeable LP Units**" means the Class A exchangeable limited partnership units of Holdings LP;
 - (k) "**Class B Convertible LP Units**" means the Class B convertible limited partnership units of Holdings LP;

- (l) "**Class C Convertible LP Units**" means the Class C convertible limited partnership units of Holdings LP;
- (m) "**Convertible Debentures**" means the convertible unsecured subordinated debentures of the Fund issued and certified under the Debenture Indenture;
- (n) "**Court**" means the Ontario Superior Court of Justice;
- (o) "**CT**" means NPIF Commercial Trust, an unincorporated trust created under the laws of the Province of Ontario;
- (p) "**CT Notes**" means the Series 1 CT Notes, the Series 2 CT Notes and the Series 3 CT Notes (each as defined in the CT Trust Indenture) and any other series of notes of CT issued from time to time under the CT Note Indenture, together, or any of them as the context requires;
- (q) "**CT Note Indenture**" means the note indenture dated as of July 1, 2003, between CT and Computershare Trust Company of Canada, as amended, supplemented, restated or replaced from time to time;
- (r) "**CT Trust Indenture**" means the supplemental and restated trust indenture which governs CT dated as of July 16, 2009;
- (s) "**Debenture Indenture**" means the trust indenture made as of August 26, 2004 between the Fund and Computershare Trust Company of Canada, as amended and restated by the amended and restated trust indenture dated as of October 14, 2009, and as supplemented by the first supplemental indenture dated as of October 15, 2009;
- (t) "**Director**" means the director appointed under section 278 of the OBCA;
- (u) "**Effective Date**" means the date the Arrangement is effective under the OBCA;
- (v) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be specified in writing by New Northland;
- (w) "**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 182(5) of the OBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;
- (x) "**Fund**" means Northland Power Income Fund, an unincorporated trust created under the laws of the Province of Ontario;
- (y) "**Fund Unitholders**" means the holders of Trust Units, from time to time.
- (z) "**General Partner**" means NPIF Holdings GP Inc., a corporation incorporated under the laws of the Province of Ontario;

- (aa) "**Holdings LP**" means NPIF Holdings L.P., a limited partnership established under the laws of the Province of Ontario;
- (bb) "**Holdings LP Partnership Agreement**" means the limited partnership agreement in respect of Holdings LP, made as of March 13, 2009, as amended and restated on July 16, 2009, and as further amended, supplemented and restated from time to time;
- (cc) "**Iroquois Falls Corp.**" means Iroquois Falls Power Corp., a wholly-owned subsidiary of Holdings LP, continued under the laws of the Province of Ontario;
- (dd) "**Interim Order**" means an interim order of the Court under subsection 182(5) of the OBCA containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;
- (ee) "**LP Unitholders**" means the holders of Class A Exchangeable LP Units, Class B Convertible LP Units and Class C Convertible LP Units, from time to time;
- (ff) "**LP Units**" means Class A Exchangeable LP Units, Class B Convertible LP Units and Class C Convertible LP Units;
- (gg) "**Meeting**" means the annual and special meeting of the Voting Unitholders to be held on June 21, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement Resolution;
- (hh) "**New Northland**" means Northland Power Arrangeco Inc., a corporation incorporated under the laws of the Province of Ontario;
- (ii) "**New Northland Class A Shares**" means the Class A common shares in the capital of New Northland;
- (jj) "**New Northland Class B Convertible Shares**" means the Class B convertible shares in the capital of New Northland;
- (kk) "**New Northland Class C Convertible Shares**" means the Class C convertible shares in the capital of New Northland;
- (ll) "**New Northland Common Shares**" means the common shares in the capital of New Northland;
- (mm) "**New Northland Shares**" means New Northland Common Shares, New Northland Class A Shares, New Northland Class B Convertible Shares, New Northland Class C Convertible Shares;
- (nn) "**NPI**" means Northland Power Inc., a corporation amalgamated under the laws of the Province of Ontario, wholly-owned and controlled by Holdings LP;

- (oo) "**NPIFMI**" means Northland Power Income Fund Management Inc., a corporation incorporated under the laws of the Province of Ontario;
- (pp) "**OBCA**" means the *Business Corporations Act*, R.S.O. 1990, c. B-16, including the regulations promulgated thereunder, in either case as amended;
- (qq) "**Party**" means a party to the Arrangement Agreement;
- (rr) "**Person**" means and includes individuals, corporations, partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities, and governments, agencies and political subdivisions thereof;
- (ss) "**Plan of Arrangement**" means this plan of arrangement;
- (tt) "**Prefco**" means Northland Power Preferred Equity Inc., a corporation incorporated under the laws of the Province of Ontario;
- (uu) "**Prefco Preferred Shares**" means the preferred shares in the capital of Prefco, issuable in series;
- (vv) "**Rights Exchange Agreements**" means the rights exchange agreements entered into by the Fund, Northland Power Inc., and certain officers and employees of Northland Power Inc. as of April 23, 2009, as amended, pursuant to which such officers and employees were granted Replacement Rights;
- (ww) "**Replacement Rights**" means the rights of certain officers and employees of Northland Power Inc. to acquire Trust Units for no additional payment, on or after January 16, 2012;
- (xx) "**Special Voting Units**" means the units of the Fund designated as "Special Voting Units" under the Trust Indenture;
- (yy) "**TSX**" means the Toronto Stock Exchange;
- (zz) "**Trust Indenture**" means the supplemental and restated trust indenture dated as of July 16, 2009, which governs the Fund;
- (aaa) "**Trust Units**" means the units of beneficial interest of the Fund designated as "Trust Units" under the Trust Indenture;
- (bbb) "**Voting Unitholders**" means, collectively, the holders of Trust Units and Special Voting Units; and
- (ccc) "**Voting Units**" means, collectively, the Trust Units and Special Voting Units.

- 1.2 The division of this Plan of Arrangement into articles and sections 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 and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 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.

ARTICLE 2
ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) Fund Unitholders; (ii) LP Unitholders; (iii) holders of Prefco Preferred Shares (if any); (iv) the Fund; (v) CT; (vi) Holdings LP; (vii) the General Partner; (viii) NPI; (ix) NPIFMI; (x) Prefco; and (xi) New Northland.
- 2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate 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 set out therein.
- 2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any Party or Person until the Effective Time. Furthermore, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3
ARRANGEMENT

- 3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, without any further act or formality except as otherwise provided herein:

Amendment of the Trust Indenture, CT Trust Indenture and Holdings LP Partnership Agreement

- (a) the Trust Indenture, CT Trust Indenture and Holdings LP Partnership Agreement shall be amended to the extent necessary to facilitate the Arrangement as provided herein;

Exchange of Securities for New Northland Shares

- (b) simultaneously, the following transactions will occur:
- (i) the Trust Units held by Fund Unitholders shall be transferred to New Northland, free and clear of any claims, solely in consideration for the issuance of New Northland Common Shares on the basis of one New Northland Common Share for each Trust Unit so transferred;
 - (ii) the Class A Exchangeable LP Units (and related Special Voting Units) held by LP Unitholders shall be transferred to New Northland, free and clear of any claims, solely in consideration for the issuance of New Northland Class A Shares on the basis of one New Northland Class A Share for each Class A Exchangeable LP Unit (together with the related Special Voting Unit) so transferred;
 - (iii) the Class B Convertible LP Units held by LP Unitholders shall be transferred to New Northland, free and clear of any claims, solely in consideration for the issuance of New Northland Class B Convertible Shares on the basis of one New Northland Class B Convertible Share for each Class B Convertible LP Unit so transferred; and
 - (iv) the Class C Convertible LP Units (and related Special Voting Units) held by LP Unitholders shall be transferred to New Northland, free and clear of any claims, solely in consideration for the issuance of New Northland Class C Convertible Shares on the basis of one New Northland Class C Convertible Share for each Class C Convertible LP Unit (together with the related Special Voting Unit) so transferred;

Cancellation of the Initial Common Shares of New Northland

- (c) the one New Northland Common Share issued to the Fund in connection with the organization of New Northland shall be purchased for cancellation by New Northland for consideration of \$1.00, and shall be cancelled.

Cancellation of CT Notes

- (d) that number of Ordinary LP Units having a fair market value equal to the principal amount of CT Notes then outstanding will be transferred to the Fund, as the sole holder of CT Notes, together with an amount of cash equal to the amount

of accrued and unpaid interest on the CT Notes in full payment of the outstanding CT Notes;

Dissolution of CT

- (e) CT shall be dissolved and its remaining assets shall be distributed to, and its liabilities shall be assumed by, the Fund;

Dissolution of the Fund

- (f) the Fund shall be dissolved and its assets shall be distributed to, and its liabilities shall be assumed by, New Northland;

Dissolution of Holdings LP

- (g) Holdings LP shall be dissolved, the amount of \$1.00 shall be paid to the General Partner, in satisfaction of the redemption of all of its outstanding interests in Holdings LP, and the balance of its assets shall be distributed to, and its liabilities shall be assumed by, New Northland;

Amalgamation of NPI, NPIFMI, the General Partner, Prefco and New Northland

- (h) Northland Power Inc. (Ontario Corporation No. 1205721), Northland Power Income Fund Management Inc. (Ontario Corporation No. 1223514), NPIF Holdings GP Inc. (Ontario Corporation No. 1793191), Northland Power Preferred Equity Inc./Titres de Participation Privilégiés, Northland Power Inc. (Ontario Corporation No. 1821363), and Northland Power Arrangeco Inc. (Ontario Corporation No. 1824346)

shall be amalgamated under the name NORTHLAND POWER INC. to form Amalco with the same effect as an amalgamation to which section 179 of the OBCA applies on the basis set out in the Articles of Arrangement of NORTHLAND POWER INC. dated January 1, 2011.

3.2 Upon the exchange of Trust Units for New Northland Common Shares, pursuant to section 3.1:

- (a) each former holder of Trust Units shall cease to be the holder of the Trust Units so exchanged and the name of each such former holder of Trust Units shall be removed from the register of Trust Units and New Northland shall become the sole holder of the Trust Units and shall be added to the register of Trust Units as the sole owner of the Trust Units; and
- (b) each such holder of Trust Units shall become the holder of the New Northland Common Shares exchanged for Trust Units by such holder and shall be added to the register of holders of New Northland Common Shares in respect thereof.

- 3.3 Upon all exchanges of Class A Exchangeable LP Units (and related Special Voting Units), Class B Convertible LP Units and Class C Convertible LP Units (and related Special Voting Units), pursuant to section 3.1:
- (a) each former holder of Class A Exchangeable LP Units and related Special Voting Units shall cease to be the holder of the Class A Exchangeable LP Units and related Special Voting Units so exchanged and the name of each such former holder of Class A Exchangeable LP Units and related Special Voting Units shall be removed from the record of limited partners of Holdings LP and the register of Special Voting Units and New Northland shall become the sole holder of the Class A Exchangeable LP Units and Special Voting Units and shall be added to the record of limited partners as the sole owner of the Class A Exchangeable LP Units and shall be added to the register of Special Voting Units as the sole owner of Special Voting Units;
 - (b) each such holder of Class A Exchangeable LP Units (and related Special Voting Units) shall become the holder of the New Northland Class A Shares exchanged for Class A Exchangeable LP Units (and related Special Voting Units) by such holder and shall be added to the register of holders of New Northland Class A Shares in respect thereof;
 - (c) each former holder of Class B Convertible LP Units shall cease to be the holder of the Class B Convertible LP Units so exchanged and the name of each such former holder of Class B Convertible LP Units shall be removed from the record of limited partners of Holdings LP and New Northland shall become the sole holder of the Class B Convertible LP Units and shall be added to the record of limited partners as the sole owner of the Class B Convertible LP Units;
 - (d) each such holder of Class B Convertible LP Units shall become the holder of the New Northland Class B Convertible Shares exchanged for Class B Convertible LP Units by such holder and shall be added to the register of holders of New Northland Class B Convertible Shares in respect thereof;
 - (e) each former holder of Class C Convertible LP Units and related Special Voting Units shall cease to be the holder of the Class C Convertible LP Units and related Special Voting Units so exchanged and the name of each such former holder of Class C Convertible LP Units and related Special Voting Units shall be removed from the record of limited partners of Holdings LP and the register of Special Voting Units and New Northland shall become the sole holder of the Class C Convertible LP Units and Special Voting Units and shall be added to the record of limited partners as the sole owner of the Class C Convertible LP Units and shall be added to the register of Special Voting Units as the sole owner of Special Voting Units; and
 - (f) each such holder of Class C Convertible LP Units (and related Special Voting Units) shall become the holder of the New Northland Class C Convertible Shares exchanged for Class C Convertible LP Units (and related Special Voting Units)

by such holder and shall be added to the register of holders of New Northland Class C Convertible Shares in respect thereof.

- 3.4 On and after the Effective Date, by virtue of subsection 6.4(d) of the Debenture Indenture and subsection 2.3(d) of the Rights Exchange Agreements, respectively, each holder of a Convertible Debenture or Replacement Rights, as the case may be, who has not exercised its right of conversion or all of its Replacement Rights, as the case may be, prior to the Effective Date, shall be entitled to receive, in lieu of the number of Trust Units then sought to be acquired by it, the number of New Northland Common Shares that such holder of a Convertible Debenture or Replacement Rights, as the case may be, would have been entitled to receive, if, on the Effective Date, the holder had been the registered holder of the number of Trust Units to which it was entitled to acquire upon the exercise of the conversion right or the Replacement Rights, as the case may be.

ARTICLE 4

OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

- 4.1 From and after the Effective Time, any certificates formerly representing Trust Units, LP Units (and any related Special Voting Units) or Prefco Preferred Shares (if any) shall represent only the right to receive New Northland Common Shares, New Northland Class A Shares, New Northland Class B Convertible Shares, New Northland Class C Convertible Shares or Amalco Preferred Shares, as applicable, in respect thereof as provided in this Plan of Arrangement.
- 4.2 Registration of interests in and transfers of the New Northland Common Shares will be made only through the book-entry only system administered by CDS. On or about the Effective Date, New Northland will deliver to CDS one or more certificates evidencing the aggregate number of New Northland Common Shares issued in connection with the Arrangement, provided that New Northland may terminate the use of the book-entry only system at any time.
- 4.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Trust Units or LP Units (and any related Special Voting Units) that were transferred pursuant to section 3.1 hereof has 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 former registered holder thereof in the register of Trust Units or record of limited partners of Holdings LP, as applicable, shall, as a condition precedent to the receipt of any New Northland Common Shares, New Northland Class A Shares, New Northland Class B Convertible Shares or New Northland Class C Convertible Shares, as applicable, to be issued to such person, provide to New Northland, the Fund and Holdings LP, as applicable, a bond, in form and substance satisfactory to New Northland, or otherwise indemnify New Northland, the Fund and Holdings LP to their satisfaction, in their sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.
- 4.4 No fractional New Northland Common Shares, New Northland Class A Shares, New Northland Class B Convertible Shares, New Northland Class C Convertible Shares or

Amalco Preferred Shares, and no certificates representing fractional New Northland Common Shares, New Northland Class A Shares, New Northland Class B Convertible Shares, New Northland Class C Convertible Shares or Amalco Preferred Shares, shall be issued pursuant to the Plan of Arrangement.

ARTICLE 5 **AMENDMENTS**

- 5.1 Subject to Sections 5.2, 5.3 and 5.4, the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Prefco and New Northland may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other Parties to the Arrangement Agreement; and (iii) filed with the Court.
- 5.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Prefco and New Northland (or, following the Effective Time, by Amalco) without the approval of the Court or the Voting Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Prefco and New Northland (or, following the Effective Time, Amalco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Trust Units or LP Units (and any related Special Voting Units), including, without limitation, to reflect the issuance by Prefco of a series of Prefco Preferred Shares.
- 5.3 Subject to Section 6.2, any amendment to this Plan of Arrangement may be proposed by the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Prefco and New Northland at any time prior to or at the Meeting (provided that the other Parties to the Arrangement Agreement shall have consented thereto) with or without any prior notice or communication to Voting Unitholders, and if so proposed and accepted by the 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.
- 5.4 Subject to Section 6.2, the Fund, CT, Holdings LP, the General Partner, NPI, NPIFMI, Prefco and New Northland may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to the Voting Unitholders.

ARTICLE 6 **GENERAL**

- 6.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements,

transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

- 6.2 If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any Parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.
- 6.3 This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

