



Certificate of Amalgamation

Canada Business Corporations Act

Certificat de fusion

Loi canadienne sur les sociétés par actions

TransAlta Corporation

Corporate name / Dénomination sociale

1507876-8

Corporation number / Numéro de société

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

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

Hantz Prosper

Director / Directeur

2023-06-01

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



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

1 - Corporate name of the amalgamated corporation

TransAlta Corporation

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

Alberta

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

See attached Schedule "A"

4 - Restrictions, if any, on share transfers

Not applicable

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

Minimum number

Maximum number

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

Not applicable

7 - Other provisions, if any

See attached Schedule "B"

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

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

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

Name of the amalgamating corporations	Corporation number	Signature
TransAlta Corporation	0450493 - 3	
TransAlta Investments Ltd.	0703331 - 1	

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

Schedule "A"
TransAlta Corporation

1) Common Shares

The Corporation shall be authorized to issue an unlimited number of Common Shares, having the following rights, privileges, restrictions and conditions attaching thereto:

- (a) Dividends. The holders of Common Shares shall be entitled to receive dividends as and when declared by the board of directors of the Corporation, subject to the prior satisfaction of all preferential rights to dividends attached to all shares of other classes ranking- in priority to the Common Shares in respect of dividends.
- (b) Voting Rights. The holders of Common Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation and shall be entitled to one vote in respect of each Common Share held, except in respect of meetings at which only holders of a specified class or series of shares, other than the Common Shares, are entitled' to vote.
- (c) Participation upon Liquidation, Dissolution or Winding Up. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary or for reorganization or otherwise, and upon any distribution of assets for the purpose of the winding up of -its affairs or in· the event of any distribution upon a reduction of stated capital, the holders of the Common Shares shall, subject to the prior rights and privileges attaching to any class of shares of the Corporation ranking prior to the Common Shares, be entitled to receive the remaining assets of the Corporation and the same shall be paid or distributed equally share for share to the holders of the Common Shares.

2) First Preferred Shares

The Corporation shall be authorized to issue an unlimited number of First Preferred Shares, issuable in series, and having the following rights, privileges, restrictions and conditions attaching thereto as a class:

- (a) Issuable in Series. The First Preferred Shares may be issued from time to time in one or more series and, subject -to these Articles, the. board of directors is authorized to fix, from time to time before issuance, the designations, rights, privileges_, restrictions and conditions to attach to the shares of each series of First Preferred Shares.

(b) Seniority. The First Preferred Shares of all series shall rank senior to all other shares of the Corporation with respect to priority in payment of dividends and with respect to distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets for the purpose of winding up its affairs or in the event of any distribution upon a reduction of stated capital. The First Preferred Shares shall not be liable to cancellation or reduction by reason of loss or depreciation of the Corporation's assets until all other shares of the Corporation shall have been exhausted. The First Preferred Shares of each series shall rank equally with the First Preferred Shares of every other series.

(c) Dividends. The holders of First Preferred Shares shall be entitled to receive out of the net profits or surplus of the Corporation when and as declared by the board of directors cumulative dividends, payable quarterly, on the subscription price thereof, to shareholders of record on such days as shall be fixed by the board of directors from time to time: The rate of dividend and the initial quarterly instalment date shall be determined by the board of directors at the time of issue of any one or more series of First Preferred Shares and dividends shall accrue and be cumulative from date of issue.. No dividends shall be declared, paid or set apart upon any other shares of the Corporation unless all cumulative dividends accrued upon the First Preferred Shares shall have been paid or declared and set apart.

(d) Redemption. Subject to the provisions relating to any particular series, the Corporation, upon resolution of the board of directors, may call for redemption and redeem, out of capital or otherwise, at any time the whole or from time to time any part of the then outstanding First Preferred Shares of any one or more series on payment for each share of such price or prices as may at the time be applicable to such series. If the Corporation desires at any time to call for redemption and redeem less than all the outstanding First Preferred Shares of any one series, the shares to be redeemed shall be selected by lot in such manner as may be prescribed by resolution of the board of directors.

(e) Idem. In any case of redemption of First Preferred Shares under the provisions of paragraph (d) above, the Corporation shall, at least 30 days before the date fixed for redemption; mail to each registered holder of the First Preferred Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed in a prepaid letter addressed to such registered holder at the registered address or addresses of such holder or holders, as the case may be, or in the event of the address of any such holder not so appearing, then to the last known address of such holder, provided, however, that accidental failure to give any

such notice to one or more such holders shall not affect the validity of such redemption. Such notice shall state the redemption price and the date on which redemption is to take place and, if part only of the shares held by the holder to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date fixed for redemption as specified in any such notice, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the first Preferred Shares to be redeemed the redemption price on presentation and surrender of the certificates representing the shares called for redemption at the head office of the Corporation, or any other place designated in such notice, and upon payment of such redemption price as aforesaid to the holder or holders of any of the First Preferred Shares to be redeemed such shares shall thereupon be cancelled and shall not be reissued. If a part only of the shares represented by any certificate be redeemed, a new certificate representing the balance shall be issued to the holder at the expense of the Corporation. From and after the date fixed for redemption as specified in any such notice the First Preferred Shares thereby called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Should the holders of any of the First Preferred Shares so called for redemption fail to present the certificates representing such shares on the date fixed for redemption as specified in such notice, the Corporation shall have the right to deposit the redemption price of such shares with any chartered bank or banks or with any trust company or trust companies in Canada to the credit of a special account or accounts in trust for the respective holders of such shares to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same and upon such deposit or deposits being made such shares shall be cancelled and shall not be reissued and the rights of the respective holders thereof after such deposit shall be limited to receiving without interest their respective proportionate parts of the total redemption price so deposited upon presentation and surrender of the certificates representing such shares held by them, respectively. Any interest allowed on such deposit or deposits shall belong to the Corporation.

- (f) Purchase by the Corporation. Subject to the provisions relating to any particular series, the Corporation shall have the right at its option at any time and from time to time to acquire, out of capital or otherwise, any of the First Preferred Shares of any one or more series by purchase for cancellation in the open market, or by invitation for tenders addressed to all the holders of record of the said series, at a

price or prices not exceeding in any case the redemption price applicable to such series under the provisions of paragraph (d) hereof, plus costs of purchase. If, in response to any invitation for tenders, more First Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation will accept the lowest tender first and then tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase then the Corporation shall accept such tenders in proportion as nearly as may be to the number of shares offered in each such tender.

- (g) Participation upon Liquidation, Dissolution or Winding Up. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary or for reorganization or otherwise, and upon any distribution of assets. For the purpose of winding up its affairs or in the event of any distribution upon a reduction of stated capital, no sum whatever shall be paid to and no assets whatever shall be distributed among the holders of any shares ranking junior to the First Preferred Shares until there shall have been paid to the holders of the First Preferred Shares the subscription price of the First Preferred Shares held by them plus a sum equal to the premium payable in case of redemption and a sum equivalent to the arrears, if any, of the dividends accumulated on the First Preferred Shares to the date of such liquidation, dissolution, winding up or reduction of stated capital, as the case may be, whether or not earned or declared, and after payment to the holders of the First Preferred Shares of the moneys so payable to them they shall not be entitled to share any further in the distribution of the profits or assets of the Corporation.
- (h) Voting Rights. The holders of any particular series of First Preferred Shares shall, if the board of directors so determines prior to the issuance of any such series, be entitled to the voting rights set forth in Schedule "Z" hereto. Except as herein referred to or as require by law, the holders of the First Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.
- (i) Further Issuances. The holders of First Preferred Shares shall be subject to the right of the Corporation at any time and from time to time. to issue additional shares of the Corporation including, without limiting the foregoing, the right to issue thereafter additional First Preferred Shares ranking equally with those now authorized.
- (j) No Pre-emptive Rights. The holders of the First Preferred Shares shall not as such be entitled to subscribe for or purchase or receive any part of any issue of shares or bonds, debentures or other securities

of the Corporation otherwise than in accordance with the conversion, exchange or other rights, if any, which may from time to time attach to any series of the First Preferred Shares.

- (k) Amendment. The provisions of paragraphs (a) to (1) inclusive may be repealed or amended only with the sanction of the holders of the First Preferred Shares given as hereinafter specified in addition to any other approval required by the Canada Business Corporations Act.

- (l) Idem. The sanction of holders of the First Preferred Shares or of any series of the First Preferred Shares as to any and all matters referred to herein or as to any change adversely affecting the rights or privileges of the First Preferred Shares or of such series may, subject to the provisions applicable to such series, be given by resolution passed or by by-law sanctioned at a meeting of such holders duly called for such purpose and at which the holders of at least 50% of the aggregate subscription price of the outstanding First Preferred Shares or series, as the case may be, are present or represented by proxy and carried by the affirmative vote of the holders of not less than 66 2/3% of the aggregate subscription price of the First Preferred Shares or series, as the case may be, represented and voted at such meeting cast on a poll. If at any such meeting the holders of a majority of the outstanding First Preferred Shares or series, as the case may be, are not present or represented by proxy within half an hour after the time appointed for the meeting then the meeting shall be adjourned to such date being not less than 15 days later and to such time and place as may be appointed by the chairman and at least ten days' notice shall be given of such adjourned meeting. At such adjourned meeting the holders of First Preferred Shares present or represented by proxy shall form a quorum and a resolution passed by the affirmative vote of the holders of not less than 66 2/3 % of the aggregate subscription price of the First Preferred Shares represented and voted at such adjourned meeting cast on a poll shall constitute the sanction of the holders of First Pref Shares or series referred to in this paragraph. On every poll taken at every such meeting or adjourned meeting every holder of First Preferred Shares shall be entitled to one vote for each full \$25 of subscription price of First Preferred Shares held.

Schedule "Z"

The holders of the [] Series First Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the [] Series First Preferred Shares pursuant to clause [] hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the [] Series First Preferred Shares remain in arrears, the holders of the [] Series First Preferred Shares shall be entitled to one vote for each full \$25 of subscription price of the [] Series First Preferred Shares held by them and in addition shall be entitled voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three members of the board of directors if the board consists of sixteen or more director's. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the [] Series First Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of

First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

Cumulative Redeemable Rate Reset First Preferred Shares, Series A

The first series of First Preferred Shares of the Corporation shall consist of 12,000,000 shares designated as Cumulative Redeemable Rate Reset First Preferred Shares, Series A (the "**Series A Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series A Preferred Shares shall be as follows:

1. Interpretation

(a) In these Series A Preferred Share provisions, the following expressions have the meanings indicated:

- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the _annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005³/₄ being rounded up) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 2.03%;
- (ii) "**Bloomberg Screen GCANSYR Page**" means the display designated as page "GCANSYR<INDEX>" on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCANSYR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
- (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
- (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
- (v) "**Book-Entry Shares**" means the Series A Preferred Shares held through the Book-Based System;
- (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
- (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
- (viii) "**Common Shares**" means the common shares of the Corporation;

- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series A Preferred. Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 2.03%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five-years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCANSYR Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCANSYR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;
- (xvii) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series A Preferred Shares to but excluding March 31, 2016;

- (xviii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xix) "**Participants**" means the participants in the Book-Based System;
- (xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxii) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing March 31, 2016;
- (xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiv) "**Series A Conversion Date**" means March 31, 2016, and March 31 in every fifth year thereafter;
- (xxv) "**Series B Preferred Shares**" means the Cumulative Redeemable First Preferred Shares, Series B of the Corporation;
- (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 31, 2016, to but excluding March 31, 2021, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding March 31 in the fifth year thereafter;
- (xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and
- (xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 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.

- (b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series A Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series A Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.15 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on March 31, 2011, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.15 by the number of days in the period from and including the date of issue of the Series A Preferred Shares to but excluding, March 31, 2011, and dividing that product by 365.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series A Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series A Preferred Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series A Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series A Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series A Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series A Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series A Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series A Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series A Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest

price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series A Preferred Shares so tendered by each of the holders of Series A Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series A Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) The Series A Preferred Shares shall not be redeemable prior to March 31, 2016. Subject to the provisions of paragraph (9), on March 31, 2016, and on March 31 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series A Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191 (4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series A Preferred Share is \$25.00.
- (b) In any case of redemption of Series A Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series A Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series A Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series A Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series A Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series A Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series A Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a

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

5. Conversion into Series B Preferred Shares

- (a) (a) The Series A Preferred Shares shall not be convertible prior to March 31, 2016. Holders of Series A Preferred Shares shall have the right to convert on each Series A Conversion Date, subject to the provisions hereof, all or any of their Series A Preferred Shares into Series B Preferred Shares on the basis of one Series B Preferred Share for each Series A Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series A Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series A Preferred Shares of the conversion right provided

- for in this paragraph (5), which notice shall set out the Series A Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series A Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series A Preferred Shares of the Annual Fixed Dividend Rate for the Series A Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series B Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(c).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series A Preferred Shares of the redemption of all of the Series A Preferred Shares, then the right of a holder of Series A Preferred Shares to convert such Series A Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series A Preferred Shares shall not be entitled to convert their shares into Series B Preferred Shares if the Corporation determines that there would remain outstanding on a Series A Conversion Date less than 1,000,000 Series B Preferred Shares, after having taken into account all Series A Preferred Shares tendered for conversion into Series B Preferred Shares and all Series B Preferred Shares tendered for conversion into Series A Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to all affected registered holders of the Series A Preferred Shares at least seven days prior to the applicable Series A Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series A Conversion Date, at the expense of the Corporation, to such holders of Series A Preferred Shares who have surrendered for conversion any certificate or certificates representing Series A Preferred Shares, certificates representing the Series A Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series A Conversion Date less than 1,000,000 Series A Preferred Shares, after having taken into account all Series A Preferred Shares tendered for conversion into Series B Preferred Shares and all Series B Preferred Shares tendered for conversion into Series A Preferred Shares, then all of the remaining outstanding Series A Preferred Shares shall be converted automatically into Series B Preferred Shares on the basis of one Series B Preferred Share for each Series A Preferred Share on the applicable Series A Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to the then registered holders of such remaining Series A Preferred Shares at least seven days prior to the Series A Conversion Date.

- (e) The conversion right may be exercised by a holder of Series A Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series A Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series A Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series A Conversion Date. The Series A Conversion Notice shall indicate the number of Series A Preferred Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series B Preferred Shares are in the Book-Based System, if the Series B Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series A Preferred Shares to be converted, the Series A Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series B Preferred Shares in some other name or names (the "**Series B Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series B Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series B Transferee to hold such Series B Preferred Shares.
- (f) If all remaining outstanding Series A Preferred Shares are to be converted into Series B Preferred Shares on the applicable Series A Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series A Preferred Shares that holders have not previously elected to convert shall be converted on the Series A Conversion Date into Series B Preferred Shares and the holders thereof shall be deemed to be holders of Series B Preferred Shares at 5:00 p.m. (Toronto time) on the Series A Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series A Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series B Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).
- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series A Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series B Preferred Shares registered in the name of the holders of the Series A Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series A Preferred Shares of the certificate or certificates for the Series A Preferred Shares to be converted. If only a part of such Series A Preferred Shares represented by any

certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series B Conversion Notice, the Series A Preferred Shares converted into Series B Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph (14), to deliver to the holders of the Series A Preferred Shares to be converted share certificates representing the Series B Preferred Shares into which such shares have been converted.

- (h) The obligation of the Corporation to issue Series B Preferred Shares upon conversion of any Series A Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series B Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series B Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series B Preferred Shares or is unable to deliver Series B Preferred Shares.
- (i) the Corporation reserves the right not to deliver Series B Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series B Preferred Shares, and the Corporation shall attempt to sell such Series B Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series B Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series B Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series A Preferred Shares shall be entitled to receive \$25.00 per Series A Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series A Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series A Preferred Shares in any respect. After payment to the holders of the Series A Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series A Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series A Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series A Preferred Shares remain in arrears, the holders of the Series A Preferred Shares shall be entitled to one vote for each full \$25 of subscription price of the Series A Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series A Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or

vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restrictions on Partial Redemption or Purchase

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

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series A Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series A Preferred Shares with respect to payment of dividends; or
- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series A Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series A Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series A Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set

apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series A Preferred Shares

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

present in person or represented by proxy shall be entitled to one vote for each of the Series A Preferred Shares held by such holder.

12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection. 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series A Preferred Shares shall be required to pay tax on dividends received on the Series A Preferred Shares under section 187 .2 of such Act or any successor or replacement provision of similar effect.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series A Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series A Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada), or any successor or replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (I) through (13) of these share provisions; the Series A Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series A Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global

Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series A Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series A Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series A Preferred Shares:
 - (i) the System Operator shall be considered the sole owner of the Series A Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series A Preferred Shares or the delivery of Series B Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series A Preferred Shares, the cash redemption price for the Series A Preferred Shares or certificates for Series B
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series A Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series A Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series A Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion, with respect to Series A Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series A Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series A Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series A Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series A Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series A Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series A Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series A Shares may be listed.

Cumulative Redeemable Floating Rate First Preferred Shares, Series B

The second series of First Preferred Shares of the Corporation shall consist of 12,000,000 shares designated as Cumulative Redeemable Floating Rate First Preferred Shares, Series B (the "**Series B Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series B Preferred Shares shall be as follows:

1. Interpretation

- (a) In these Series B Preferred Share provisions, the following expressions have the meanings indicated:
 - (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the . nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 2.03%;
 - (ii) "**Bloomberg Screen GCANSYR Page**" means the display designated as page "GCANSYR<INDEX>" on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCANSYR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
 - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
 - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
 - (v) "**Book-Entry Shares**" means the Series B Preferred Shares held through the Book-Based System;
 - (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
 - (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
 - (viii) "**Common Shares**" means the common shares of the Corporation;

- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series B Preferred Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one-hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 2.03%;
- (xiv) "**Floating Rate Calculation Date**" means, for any_ Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on .such date; provided that if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;
- (xvii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other

distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

- (xviii) "**Participants**" means the participants in the Book-Based System;
- (xix) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xx) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxi) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing March 31, 2016;
- (xxii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiii) "**Series A Preferred Shares**" means the Cumulative Redeemable First Preferred Shares, Series A of the Corporation;
- (xxiv) "**Series B Conversion Date**" means March 31, 2021, and March 31 in every fifth year thereafter;
- (xxv) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 31, 2016, to but excluding March 31, 2021, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding March 31 in the fifth year thereafter;
- (xxvi) "**System Operator**" means CDS or its nominee or any successor thereof; and
- (xxvii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

- (b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series B Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series B Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series B Preferred Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series B Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series B Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series B Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series B Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series B Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series B Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series B Preferred Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series B Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series B Preferred Shares so tendered by each of the holders of Series B Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series B Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) Subject to the provisions of paragraph (9), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series B Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to:
- (i) \$25 .00 in the case of a redemption on a Series B Conversion Date on or after March 31, 2021, or
 - (ii) \$25.50 in the case of a redemption on any other date after March 31, 2021 that is not a Series B Conversion Date, (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series B Preferred Shares have been paid to but. excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series B Preferred Share is \$25.00.
- (b) In any case of redemption of Series B Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series B Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series B Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series B Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series B Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series B Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series B Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a

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

5. Conversion into Series A Preferred Shares

- (a) The Series B Preferred Shares shall not be convertible prior to March 31, 2021. Holders of Series B Preferred Shares shall have the right to convey on each Series B Conversion Date, subject to the provisions hereof, all or any of their Series B Preferred Shares into Series A Preferred Shares on the basis of one Series A Preferred Share for each Series B Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series B Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series B Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series B Conversion

Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series B Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series B Preferred Shares of the Annual Fixed Dividend Rate for the Series A Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series B Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(b).

- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series B Preferred Shares of the redemption of all of the Series B Preferred Shares, then the right of a holder of Series B Preferred Shares to convert such Series B Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series B Preferred Shares shall not be entitled to convert their shares into Series A Preferred Shares if the Corporation determines that there would remain outstanding on a Series B Conversion Date less than 1,000,000 Series A Preferred Shares, after having taken into account all Series B Preferred Shares tendered for conversion into Series A Preferred Shares and all Series A Preferred Shares tendered for conversion into Series B Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to all affected registered holders of the Series B Preferred Shares at least seven days prior to the applicable Series B Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series B Conversion Date, at the expense of the Corporation, to such holders of Series B Preferred Shares who have surrendered for conversion any certificate or certificates representing Series B Preferred Shares, certificates representing the Series B Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series B Conversion Date less than 1,000,000 Series B Preferred Shares, after having taken into account all Series B Preferred Shares tendered for conversion into Series A Preferred Shares and all Series A Preferred Shares tendered for conversion into Series B Preferred Shares, then all of the remaining outstanding Series B Preferred Shares shall be converted automatically into Series A Preferred Shares on the basis of one Series A Preferred Share for each Series B Preferred Share on the applicable Series B Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to the then registered holders of such remaining Series B Preferred Shares at least seven days prior to the Series B Conversion Date.

- (e) The conversion right may be exercised by a holder of Series B Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series B Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series B Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series B Conversion Date. The Series B Conversion Notice shall indicate the number of Series B Preferred Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series A Preferred Shares are in the Book-Based System, if the Series A Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series B Preferred Shares to be converted, the Series B Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series A Preferred Shares in some other name or names (the "**Series B Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series B Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series B Transferee to hold such Series A Preferred Shares.
- (f) If all remaining outstanding Series B Preferred Shares are to be converted into Series A Preferred Shares on the applicable Series B Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series B Preferred Shares that holders have not previously elected to convert shall be converted on the Series B Conversion Date into Series A Preferred Shares and the holders thereof shall be deemed to be holders of Series A Preferred Shares at 5:00 p.m. (Toronto time) on the Series B Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series B Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series A Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).
- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series B Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series A Preferred Shares registered in the name of the holders of the Series B Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series B Preferred Shares of the certificate or certificates for the Series B Preferred Shares to be converted. If only a part of such Series B Preferred Shares represented by any

certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series B Conversion Notice, the Series B Preferred Shares converted into Series A Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph (14) shall fail to deliver to the holders of the Series B Preferred Shares to be converted share certificates representing the Series A Preferred Shares into which such shares have been converted.

- (h) The obligation of the Corporation to issue Series A Preferred Shares upon conversion of any Series B Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series A Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series A Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series A Preferred Shares or is unable to deliver Series A Preferred Shares.

- (i) The Corporation reserves the right not to deliver Series A Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series A Preferred Shares, and the Corporation shall attempt to sell such Series A Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series A Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series A Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series B Preferred Shares shall be entitled to receive \$25.00 per Series B Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series B Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series B Preferred Shares in any respect. After payment to the holders of the Series B Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series B Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series B Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series B Preferred Shares remain in arrears, the holders of the Series B Preferred Shares shall be entitled to one vote for each full \$25 of subscription price of the Series B Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series B Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director

elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restrictions on Partial Redemption or Purchase

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

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series B Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series B Preferred Shares with respect to payment of dividends; or
- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series B Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series B Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series B Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series B Preferred Shares

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

the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series B Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series B Preferred Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series B Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series B Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada), or any successor or replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series B Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series B Preferred Shares issued by the Corporation which shall

- be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series B Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series B Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series B Preferred Shares:
- (i) the System Operator shall be considered the sole owner of the Series B Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series B Preferred Shares or the delivery of Series A Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) (the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series B Preferred Shares, the cash redemption price for the Series B Preferred Shares or certificates for Series A Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series B Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series B Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series B Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series B Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the

Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion with respect to Series B Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series B Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series B Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series B Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series B Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series B Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series B Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph (I I) and with any required approvals of any stock exchanges on which the Series B Shares may be listed.

Cumulative Redeemable Rate Reset First Preferred Shares, Series C

The third series of First Preferred Shares of the Corporation shall consist of 11,000,000 shares designated as Cumulative Redeemable Rate Reset First Preferred Shares, Series C (the "**Series C Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series C Preferred Shares shall be as follows:

1. Interpretation

- (a) In these Series C Preferred Share provisions, the following expressions have the meanings indicated:
 - (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.10%;
 - (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>n on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCAN5YR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
 - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
 - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
 - (v) "**Book-Entry Shares**" means the Series C Preferred Shares held through the Book-Based System;
 - (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
 - (vii) "**COS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
 - (viii) "**Common Shares**" means the common shares of the Corporation;

- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series C Preferred Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.10%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on such date; provided that If such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;

- (xvii) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series C Preferred Shares to but excluding June 30, 2017;
- (xviii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xix) "**Participants**" means the participants in the Book-Based System;
- (xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 386, depending upon the actual number of days in the applicable year;
- (xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxii) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing June 30, 2017;
- (xxiii) "**Quarterly Floating- Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiv) "**Series C Conversion Date**" means June 30, 2017, and June 30 in every fifth year thereafter;
- (xxv) "**Series D Preferred Shares**" means the Cumulative Redeemable First Preferred Shares, Series D of the Corporation;
- (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 30, 2017, to but excluding June 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding June 30 in the fifth year thereafter;
- (xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and

- (xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 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.
- (b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series C Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series C Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.15 per share, payable quarterly on each Dividend Payment Date In each year: The first dividend, If declared, shall be payable on March 31, 2012, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.15 by the number of days in the period from and including the date of issue of the Series C Preferred Shares to but excluding, March 31, 2012, and dividing that product by 365.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series C Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash, dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series C Preferred Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series C Preferred Shares. Each such notice shall be given by

electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series C Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series C Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series C Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (If obtainable) for cancellation all or any part of the Series C Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series C Preferred Shares are listed,
- (a) by invitation for tenders addressed to all the holders of record of the Series C Preferred Shares outstanding, or
- (b) in any other manner.

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series C Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, If and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, than the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series C Preferred Shares so tendered by each of the holders of Series C Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series C Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) The Series C Preferred Shares shall not be redeemable prior to June 30, 2017. Subject to the provisions of paragraph (9), on June 30, 2017, and on June 30 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series C Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191 (4) of the *Income Tax Act (Canada)* or any successor or replacement provision of similar effect the amount specified in respect of each Series C Preferred Share is \$25.00.
- (b) In any case of redemption of Series C Preferred Shares under the provisions of this paragraph (4), the Corporation shall at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series C Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series C Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series C Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series C Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series C Preferred Shares called for redemption, subject to the

provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series C Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series C Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series C Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series C Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series C Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provision of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series C Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors or the transfer agent and registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board of Directors so decides, such shares may be redeemed pro rata (disregarding fractions).

5. Conversion into Series D Preferred Shares

- (a) The Series C Preferred Shares shall not be convertible prior to June 30, 2017. Holders of Series C Preferred Shares shall have the right to convert on each Series C conversion Date, subject to the provisions hereof, all or

- any of their Series C Preferred Shares into Series D Preferred Shares on the basis of one Series D Preferred Share for each Series C Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series C Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series C Preferred Shares of the conversion right provided for in this paragraph (6), which notice shall set out the Series C Conversion Date and instructions to such holders as to the method by which each conversion right may be exercised. On the 30th day prior to each Series C Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series C Preferred Shares of the Annual Fixed Dividend Rate for the Series C Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series D Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(c).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series C Preferred Shares of the redemption of all of the Series C Preferred Shares, then the right of a holder of Series C Preferred Shares to convert such Series C Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series C Preferred Shares shall not be entitled to convert their shares into Series D Preferred Shares if the Corporation determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series D Preferred Shares, after having taken into account 811 Series C Preferred Shares tendered for conversion into Series D Preferred Shares and all Series D Preferred Shares tendered for conversion into Series C Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to all affected registered holders of the Series C Preferred Shares at least seven days prior to the applicable Series C Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series C Conversion Date, at the expense of the Corporation, to such holders of Series C Preferred Shares who have surrendered for conversion any certificate or certificates representing Series C Preferred Shares, certificates representing the Series C Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series C Preferred Shares, after having taken into account all Series C Preferred Shares tendered for conversion into Series D Preferred Shares and all Series D Preferred Shares tendered for conversion into Series C Preferred Shares, then all of the remaining outstanding Series C Preferred Shares shall be converted automatically into Series D Preferred Shares on the basis of one Series D

Preferred Share for each Series C Preferred Share on the applicable Series C Conversion Date and the Corporation shall give notice in writing thereof In accordance with the provisions of subparagraph (2)(c) to the then registered holders of such remaining Series C Preferred Shares at least seven days prior to the Series C Conversion Date .

- (e) The conversion right may be exercised by a holder of Series C Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series C Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series C Preferred Shares at the principal office In Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 16u, day preceding, a Series C Conversion Date. The Series C Conversion Notice shall indicate the number of Series C Preferred Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except In the case where the Series D Preferred Shares are in the Book-Based System, if the Series D Preferred Shares are to be registered In a name or names different from the name or names of the registered holder of the Series C Preferred Shares to be converted, the Series C Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series D Preferred Shares in some other name or names (the "**Series D Transferee**") and stating the name or names {with addresses) and a written declaration, If required by the Corporation or by applicable law, as to the residence and share ownership status of the Series D Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series D Transferee to hold such Series D Preferred Shares.
- (f) If all remaining outstanding Series C Preferred Shares are to be converted into Series D Preferred Shares on the applicable Series C Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series C Preferred Shares that holders have not previously elected to convert shall be converted on the Series C Conversion Date into Series D Preferred Shares and the holders thereof shall be deemed to be holders of Series D Preferred Shares at 5:00 p.m. (Toronto time) on the Series C Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series C Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series D Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).
- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series C Conversion Date the Corporation

shall deliver or cause to be delivered certificates representing the Series D Preferred Shares registered in the name of the holders of the Series C Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series C Preferred Shares of the certificate or certificates for the Series c Preferred Shares to be converted. If only a part of such Series C Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series D Conversion Notice, the Series C Preferred Shares converted into Series D Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fall, subject to paragraph (14), to deliver to the holders of the Series C Preferred Shares to be converted share certificates representing the Series D Preferred Shares into which such shares have been converted.

- (h) The obligation of the Corporation to issue Series D Preferred Shares upon conversion of any Series C Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series D Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series D Preferred Shares is prohibited by law or by any regulatory or other authority having Jurisdiction over the Corporation that is acting in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series D Preferred Shares or is unable to deliver Series D Preferred Shares.
- (i) the Corporation reserves the right not to deliver Series D Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is In, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such Jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series D Preferred Shares, and the Corporation shall attempt to sell such Series D Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series D Preferred Shares

on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series D Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series C Preferred Shares shall be entitled to receive \$25.00 per Series C Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series C Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series C Preferred Shares in any respect. After payment to the holders of the Series C Preferred Shares of the amount so payable to them, they shall not, as such be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series C Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation falls to pay in the aggregate six quarterly dividends on the Series C Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series C Preferred Shares remain in arrears, the holders of the Series C Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series C Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors. If the board consists of less than sixteen directors or three members of the board of directors. If the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series C Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares than entitled to vote

for the election of directors; In default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares In order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restriction on Partial Redemption or Purchase

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

9. Restriction on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series C Preferred Shares) on the Common Shares or any other shares of the Corporation ranking Junior to the Series C Preferred Shares with respect to payment of dividends; or

- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series C Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series C Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series C Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series C Preferred Shares

The approval of the holders of the Series C Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series C Preferred Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series C Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series C Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series C Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series C Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series C Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series C Preferred Shares. Notice of any such original meeting of the holders of the Series C Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such

adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series C Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series C Preferred Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share Provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amount's required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series C Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series C Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series C Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series C Preferred Shares Issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co" (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series C Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series C Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series C Preferred Shares:
- (i) the System Operator shall be considered the sole owner of the Series C Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series C Preferred Shares or the delivery of Series D Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series C Preferred Shares, the cash redemption price for the Series C Preferred Shares or certificates for Series D Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series C Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series C Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series C Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series C Preferred Shares accompanied by registration instructions for re-registration, the

Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion, with respect to Series C Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series C Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series C Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series C Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series C Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series C Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series C Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series C Shares may be listed.

Cumulative Redeemable Rate Reset First Preferred Shares, Series D

The third series of First Preferred Shares of the Corporation shall consist of 11,000,000 shares designated as Cumulative Redeemable Rate Reset First Preferred Shares, Series D (the "**Series D Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series D Preferred Shares shall be as follows:

1. Interpretation

- (d) In these Series D Preferred Share provisions, the following expressions have the meanings indicated:
 - (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.10%;
 - (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>n on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCAN5YR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
 - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
 - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
 - (v) "**Book-Entry Shares**" means the Series D Preferred Shares held through the Book-Based System;
 - (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
 - (vii) "**COS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
 - (viii) "**Common Shares**" means the common shares of the Corporation;

- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series D Preferred Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.10%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on such date; provided that If such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;
- (xvii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other

distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

- (xviii) "**Participants**" means the participants in the Book-Based System;
- (xix) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 386, depending upon the actual number of days in the applicable year;
- (xx) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxi) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing June 30, 2017;
- (xxii) "**Quarterly Floating- Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiii) "**Series C Preferred Shares**" means the Cumulative Redeemable First Preferred Shares, Series C of the Corporation;
- (xxiv) "**Series D Conversion Date**" means June 30, 2022, and June 30 in every fifth year thereafter;
- (xxv) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 30, 2017, to but excluding June 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding June 30 in the fifth year thereafter;
- (xxvi) "**System Operator**" means CDS or its nominee or any successor thereof; and
- (xxvii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

- (e) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (f) If any day on which any dividend on the Series D Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During each Quarterly Floating Rate Period; the holders of the Series D Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.
- (b) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series D Preferred Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series D Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series D Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series D Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series D Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series D Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series D Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series D Preferred Shares outstanding, or
- (c) in any other manner.

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series D Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series D Preferred Shares so tendered by each of the holders of Series D Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series D Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) Subject to the provisions of paragraph (9), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series D Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to:
- (i) \$25.00 in the case of a redemption on a Series D Conversion Date on or after June 30, 2022, or
 - (ii) \$25.50 in the case of a redemption on any other date after June 30, 2022 that is not a Series D Conversion Date, (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series D Preferred Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series D Preferred Share is \$25.00.
- (b) In any case of redemption of Series D Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series D Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series D Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such Holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series D Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered Holders of the Series D Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series D Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series D Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series D Preferred

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

5. Conversion into Series C Preferred Shares

- (a) The Series D Preferred Shares shall not be convertible prior to June 30, 2022. Holders of Series D Preferred Shares shall have the right to convert on each Series D Conversion Date, subject to the provisions hereof, all or any of their Series D Preferred Shares into Series C Preferred Shares on the basis of one Series C Preferred Share for each Series D Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series D Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series D Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series D Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series D

Conversion Data, the Corporation shall give notice in writing to the then registered holders of the Series D Preferred Shares of the Annual Fixed Dividend Rate for the Series C Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series D Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(b).

- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series D Preferred Shares of the redemption of all of the Series D Preferred Shares, then the right of a holder of Series D Preferred Shares to convert such Series D Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series D Preferred Shares shall not be entitled to convert their shares into Series C Preferred Shares if the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series C Preferred Shares, after having taken into account all Series D Preferred Shares tendered for conversion into Series C Preferred Shares and all Series C Preferred Shares tendered for conversion into Series C Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to all affected registered holders of the Series D Preferred Shares at least seven days prior to the applicable Series D Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series D Conversion Date, at the expense of the Corporation, to such holders of Series D Preferred Shares who have surrendered for conversion any certificate or certificates representing Series D Preferred Shares, certificates representing the Series D Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series D Preferred Shares, after having taken into account all Series D Preferred Shares tendered for conversion into Series C Preferred Shares and all Series C Preferred Shares tendered for conversion into Series D Preferred Shares, then all of the remaining outstanding Series D Preferred Shares shall be converted automatically into Series C Preferred Shares on the basis of one Series C Preferred Share for each Series D Preferred Share on the applicable Series D Conversion Date and the Corporation shall give notice in writing thereof In accordance with the provisions of subparagraph (2)(b) to the then registered holders of such remaining Series D Preferred Shares at least seven days prior to the Series D Conversion Date .
- (e) The conversion right may be exercised by a holder of Series D Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series C Conversion Notice**"), which notice must be received by the

transfer agent and registrar for the Series D Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series D Conversion Date. The Series D Conversion Notice shall indicate the number of Series D Preferred Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series C Preferred Shares are in the Book-Based System, if the Series C Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series D Preferred Shares to be converted, the Series D Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series C Preferred Shares in some other name or names (the "**Series D Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series D Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series D Transferee to hold such Series C Preferred Shares.

- (f) If all remaining outstanding Series D Preferred Shares are to be converted into Series C Preferred Shares on the applicable Series D Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series D Preferred Shares that holders have not previously elected to convert shall be converted on the Series D Conversion Date into Series C Preferred Shares and the holders thereof shall be deemed to be holders of Series C Preferred Shares at 5:00 p.m. (Toronto time) on the Series D Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series D Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series C Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).
- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series D Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series C Preferred Shares registered in the name of the holders of the Series D Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series D Preferred Shares of the certificate or certificates for the Series D Preferred Shares to be converted. If only a part of such Series D Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified

in any Series D Conversion Notice, the Series D Preferred Shares converted into Series C Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fall, subject to paragraph (14), to deliver to the holders of the Series D Preferred Shares to be converted share certificates representing the Series C Preferred Shares into which such shares have been converted.

- (h) The obligation of the Corporation to issue Series C Preferred Shares upon conversion of any Series D Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series C Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series C Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series C Preferred Shares or is unable to deliver Series C Preferred Shares.
- (i) the Corporation reserves the right not to deliver Series C Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such Jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series C Preferred Shares, and the Corporation shall attempt to sell such Series C Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series C Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series C Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series D Preferred Shares shall be entitled to receive \$25.00 per Series D Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series D Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders' of the Common Shares or to the holders of any other shares ranking junior to the Series D Preferred Shares in any respect. After payment to the holders of the Series D Preferred Shares of the amount so payable to them, they shall not, as such be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series D Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation falls to pay in the aggregate six quarterly dividends on the Series D Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series D Preferred Shares remain in arrears, the holders of the Series D Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series D Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors If the board consists of less than sixteen directors or three members of the board of directors If the board consists of sixteen or more directors. Notwithstanding anything contained In the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series D Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares than entitled to vote for the election of directors; In default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares than entitled to vote for the election of directors Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect

sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) It shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restriction on Partial Redemption or Purchase

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

9. Restriction on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series D Preferred Shares) on the Common Shares or any other shares of the Corporation ranking Junior to the Series D Preferred Shares with respect to payment of dividends; or
- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series D Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series D Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series D Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set

apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series D Preferred Shares

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

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share Provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, Issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amount's required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series D Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13).

Holders of Series D Preferred Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series D Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series D Preferred Shares Issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co" (or in such other name as the System Operator may use from time to time

as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series D Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series D Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series D Preferred Shares:
 - (i) the System Operator shall be considered the sole owner of the Series D Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series D Preferred Shares or the delivery of Series D Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series D Preferred Shares, the cash redemption price for the Series D Preferred Shares or certificates for Series C Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series D Preferred Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series D Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series D Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series D Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion, with respect to Series D Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series D Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series D Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series D Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series D Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series D Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series D Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series D Shares may be listed.

SERIES E FIRST PREFERRED SHARES

The fifth series of First Preferred Shares of the Corporation shall consist 9,000,000 shares designated as Cumulative Redeemable Rate Reset First Preferred Shares, Series E (the "Series E Preferred Shares"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series E Preferred Shares shall be as follows:

Interpretation

In these Series E Preferred Share provisions, the following expressions have the meanings indicated:

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.65%;

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

"Book Based System" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

"Book Entry Holder" means the person that is the beneficial holder of a Book Entry Share;

"Book Entry Shares" means the Series E Preferred Shares held through the Book Based System;

"Business Day" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

"CDS" means CDS Clearing and Depository Services Inc. or any successor thereof;

"Common Shares" means the common shares of the Corporation;

"Definitive Share" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series E Preferred Shares;

"Dividend Payment Date" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;

"First Preferred Shares" means the first preferred shares of the Corporation;

"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;

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T Bill Rate on the applicable Floating Rate Calculation Date and 3.65%;

"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;

"Global Certificate" means the global certificate representing outstanding Book Entry Shares;

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

"Initial Fixed Rate Period" means the period from and including the date of issue of the Series E Preferred Shares to but excluding September 30, 2017;

"Liquidation" means the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

"Participants" means the participants in the Book Based System;

"Pro Rated Dividend" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

"Quarter" means a three month period ending on a Dividend Payment Date;

"Quarterly Commencement Date" means the last day of March, June, September and December in each year, commencing September 30, 2017;

"Quarterly Floating Rate Period" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;

"Series E Conversion Date" means September 30, 2017, and September 30 in every fifth year thereafter;

"Series F Preferred Shares" means the Cumulative Redeemable First Preferred Shares, Series F of the Corporation;

"Subsequent Fixed Rate Period" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2017, to but excluding September 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter;

"System Operator" means CDS or its nominee or any successor thereof; and

"T Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

If any day on which any dividend on the Series E Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

Dividends

During the Initial Fixed Rate Period, the holders of the Series E Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.25 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on December 31, 2012, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.25 by the number of days in the period from and including the date of issue of the Series E Preferred Shares to but excluding, December 31, 2012, and dividing that product by 365.

During each Subsequent Fixed Rate Period, the holders of the Series E Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.

On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series E Preferred Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series E Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series E Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series E Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any

trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

The holders of the Series E Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series E Preferred Shares outstanding from time to time:

through the facilities of any stock exchange on which the Series E Preferred Shares are listed, by invitation for tenders addressed to all the holders of record of the Series E Preferred Shares outstanding, or
in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series E Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series E Preferred Shares so tendered by each of the holders of Series E Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series E Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

Redemption

The Series E Preferred Shares shall not be redeemable prior to September 30, 2017. Subject to the provisions of paragraph (9), on September 30, 2017, and on September 30 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series E Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "redemption amount") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191 (4) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series E Preferred Share is \$25.00.

In any case of redemption of Series E Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series E Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series E Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the

holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series E Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series E Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series E Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series E Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series E Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series E Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series E Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series E Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Series E Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors or the transfer agent and registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board of Directors so decides, such shares may be redeemed pro rata (disregarding fractions).

Conversion into Series F Preferred Shares

The Series E Preferred Shares shall not be convertible prior to September 30, 2017. Holders of Series E Preferred Shares shall have the right to convert on each Series E Conversion Date, subject to the provisions hereof, all or any of their Series E Preferred Shares into Series F Preferred Shares on the basis of one Series F Preferred Share for each Series E Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series E Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series E Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series E Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series E Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series E Preferred Shares of the Annual Fixed Dividend Rate for the Series E Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series F Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(c).

If the Corporation gives notice as provided in paragraph (4) to the holders of the Series E Preferred Shares of the redemption of all of the Series E Preferred Shares, then the right of a holder of Series E Preferred Shares to convert such Series E Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).

Holders of Series E Preferred Shares shall not be entitled to convert their shares into Series F Preferred Shares if the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series F Preferred Shares, after having taken into account all Series E Preferred Shares tendered for conversion into Series F Preferred Shares and all Series F Preferred Shares tendered for conversion into Series E Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to all affected registered holders of the Series E Preferred Shares at least seven days prior to the applicable Series E Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series E Conversion Date, at the expense of the Corporation, to such holders of Series E Preferred Shares who have surrendered for conversion any certificate or certificates representing Series E Preferred Shares, certificates representing the Series E Preferred Shares represented by any certificate or certificates so surrendered.

If the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series E Preferred Shares, after having taken into account all Series E Preferred Shares tendered for conversion into Series F Preferred Shares and all Series F Preferred Shares tendered for conversion into Series E Preferred Shares, then all of the remaining outstanding Series E Preferred Shares shall be converted automatically into Series F Preferred Shares on the basis of one Series F Preferred Share for each Series E Preferred Share on the applicable Series E Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to the then registered holders of such remaining Series E Preferred Shares at least seven days prior to the Series E Conversion Date.

The conversion right may be exercised by a holder of Series E Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "Series E Conversion Notice"), which notice must be received by the transfer agent and registrar for the Series E Preferred Shares at the principal office in Toronto or Calgary of such Series E transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series E Conversion Date. The Series E Conversion Notice shall indicate the number of Series E Preferred Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series F Preferred Shares are in the Book Based System, if the Series F Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series E Preferred Shares to be converted, the Series E Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series F Preferred Shares in some other name or names (the "Series F Transferee") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series F Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series F Transferee to hold such Series F Preferred Shares.

If all remaining outstanding Series E Preferred Shares are to be converted into Series F Preferred Shares on the applicable Series E Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series E Preferred Shares that holders have not previously elected to convert shall be converted on the Series E Conversion Date into Series F Preferred Shares and the holders thereof shall be deemed to be holders of Series F Preferred Shares at 5:00 p.m. (Toronto time) on the Series E Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series E Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series F Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).

Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series E Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series F Preferred Shares registered in the name of the holders of the Series E Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series E Preferred Shares of the certificate or certificates for the Series E Preferred Shares to be converted. If only a part of such Series E Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series F Conversion Notice, the Series E Preferred Shares converted into Series F Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph (14), to deliver to the holders

of the Series E Preferred Shares to be converted share certificates representing the Series F Preferred Shares into which such shares have been converted.

The obligation of the Corporation to issue Series F Preferred Shares upon conversion of any Series E Preferred Shares shall be deferred during the continuance of any one or more of the following events:

the issuing of such Series F Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;

the issuing of such Series F Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or for any reason beyond its control, the Corporation is unable to issue Series F Preferred Shares or is unable to deliver Series F Preferred Shares.

the Corporation reserves the right not to deliver Series F Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series F Preferred Shares, and the Corporation shall attempt to sell such Series F Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series F Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series F Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series E Preferred Shares shall be entitled to receive \$25.00 per Series E Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series E Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series E Preferred Shares in any respect. After payment to the holders of the Series E Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

Voting Rights

The holders of the Series E Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series E Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of

dividends; thereafter, but only for so long as any dividends on the Series E Preferred Shares remain in arrears, the holders of the Series E Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series E Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series E Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

Restrictions on Partial Redemption or Purchase

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

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

Restrictions on Payment of Dividends and Reduction of Junior Capital

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

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

call for redemption of, purchase, reduce the stated capital maintained by the Corporation or

otherwise pay for any shares of the Corporation ranking junior to the Series E Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series E Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series E Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

Issue of Additional Preferred Shares

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

Sanction by Holders of Series E Preferred Shares

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

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

Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series E Preferred Shares shall be required to pay tax on dividends received on the Series E Preferred Shares under section 187 .2 of such Act or any successor or replacement provision of similar effect.

Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series E Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series E Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Income Tax Act (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

Book Based System

Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series E Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series E Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book Based System), and registrations of ownership, transfers, surrenders and conversions of Series E Preferred Shares shall be made only through the Book Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series E Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book entry account of a Participant acting on behalf of such holder.

Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series E Preferred Shares:

the System Operator shall be considered the sole owner of the Series E Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series E Preferred Shares or the delivery of Series F Preferred Shares and certificates therefor upon the exercise of rights of conversion; and

the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series E Preferred Shares, the cash redemption price for the Series E Preferred Shares or certificates for Series F Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series E Preferred Shares.

If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series E Preferred Shares from the Book Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series E Preferred Shares and the Corporation shall notify Book Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series E Preferred Shares accompanied by registration instructions for re registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion, with respect to Series E Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any

inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series E Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series E Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series E Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series E Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series E Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

Amendments

The provisions attaching to the Series E Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the Canada Business Corporations Act, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series E Shares may be listed.

SERIES F FIRST PREFERRED SHARES

The sixth series of First Preferred Shares of the Corporation shall consist of 9,000,000 shares designated as Cumulative Redeemable Floating Rate First Preferred Shares, Series F (the "Series F Preferred Shares"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series F Preferred Shares shall be as follows:

1. Interpretation

In these Series F Preferred Share provisions, the following expressions have the meanings indicated:

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.65%;

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

"Book Based System" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

"Book Entry Holder" means the person that is the beneficial holder of a Book Entry Share;

"Book Entry Shares" means the Series F Preferred Shares held through the Book Based System;

"Business Day" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

CDS" means CDS Clearing and Depository Services Inc. or any successor thereof;

"Common Shares" means the common shares of the Corporation;

"Definitive Share" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series F Preferred Shares;

"Dividend Payment Date" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;

"First Preferred Shares" means the first preferred shares of the Corporation;

"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;

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T Bill Rate on the applicable Floating Rate Calculation Date and 3.65%;

"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;

"Global Certificate" means the global certificate representing outstanding Book Entry Shares;

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

"Liquidation" means the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

"Participants" means the participants in the Book Based System;

"Pro Rated Dividend" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

"Quarter" means a three month period ending on a Dividend Payment Date;

"Quarterly Commencement Date" means the last day of March, June, September and December in each year, commencing September 30, 2017;

"Quarterly Floating Rate Period" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;

"Series E Preferred Shares" means the Cumulative Redeemable First Preferred Shares, Series E of the Corporation;

"Series F Conversion Date" means September 30, 2022, and September 30 in every fifth year thereafter;

"Subsequent Fixed Rate Period" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2017, to but excluding September 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter;

"System Operator" means CDS or its nominee or any successor thereof; and

"T Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

If any day on which any dividend on the Series F Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

Dividends

During each Quarterly Floating Rate Period, the holders of the Series F Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.

On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series F Preferred Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series F Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series F Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series F Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

The holders of the Series F Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (9) and subject to such provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series F Preferred Shares outstanding from time to time:

through the facilities of any stock exchange on which the Series F Preferred Shares are listed, by invitation for tenders addressed to all the holders of record of the Series F Preferred Shares outstanding, or
in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series F Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series F Preferred Shares so tendered by each of the holders of Series F Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series F Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

Redemption

Subject to the provisions of paragraph (9), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series F Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to:

\$25.00 in the case of a redemption on a Series F Conversion Date on or after September 30, 2022, or

\$25.50 in the case of a redemption on any other date after September 30, 2022 that is not a Series F Conversion Date, (such amount being the "redemption amount") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series F Preferred Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191 (4) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series F Preferred Share is \$25.00.

In any case of redemption of Series F Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series F Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series F Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series F Preferred Shares held by the person to whom

it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series F Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series F Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series F Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series F Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series F Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series F Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series F Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Series F Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors or the transfer agent and registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board of Directors so decides, such shares may be redeemed pro rata (disregarding fractions).

Conversion into Series E Preferred Shares

The Series F Preferred Shares shall not be convertible prior to September 30, 2022. Holders of Series F Preferred Shares shall have the right to convert on each Series F Conversion Date, subject to the provisions hereof, all or any of their Series F Preferred Shares into Series E Preferred Shares on the basis of one Series E Preferred Share for each Series F Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series F Conversion Date, give notice in

writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series F Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series F Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series F Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series F Preferred Shares of the Annual Fixed Dividend Rate for the Series E Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series F Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(b).

If the Corporation gives notice as provided in paragraph (4) to the holders of the Series F Preferred Shares of the redemption of all of the Series F Preferred Shares, then the right of a holder of Series F Preferred Shares to convert such Series F Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).

Holders of Series F Preferred Shares shall not be entitled to convert their shares into Series E Preferred Shares if the Corporation determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series E Preferred Shares, after having taken into account all Series F Preferred Shares tendered for conversion into Series E Preferred Shares and all Series E Preferred Shares tendered for conversion into Series F Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to all affected registered holders of the Series F Preferred Shares at least seven days prior to the applicable Series F Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series F Conversion Date, at the expense of the Corporation, to such holders of Series F Preferred Shares who have surrendered for conversion any certificate or certificates representing Series F Preferred Shares, certificates representing the Series F Preferred Shares represented by any certificate or certificates so surrendered. If the Corporation determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series F Preferred Shares, after having taken into account all Series F Preferred Shares tendered for conversion into Series E Preferred Shares and all Series E Preferred Shares tendered for conversion into Series F Preferred Shares, then all of the remaining outstanding Series F Preferred Shares shall be converted automatically into Series E Preferred Shares on the basis of one Series E Preferred Share for each Series F Preferred Share on the applicable Series F Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to the then registered holders of such remaining Series F Preferred Shares at least seven days prior to the Series F Conversion Date.

The conversion right may be exercised by a holder of Series F Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "Series F Conversion Notice"), which notice must be received by the transfer agent and registrar for the Series F Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series F Conversion Date. The Series F Conversion Notice shall indicate the number of Series F Preferred Shares to

be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series E Preferred Shares are in the Book Based System, if the Series E Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series F Preferred Shares to be converted, the Series F Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series E Preferred Shares in some other name or names (the "Series F Transferee") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series F Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series F Transferee to hold such Series E Preferred Shares.

If all remaining outstanding Series F Preferred Shares are to be converted into Series E Preferred Shares on the applicable Series F Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series F Preferred Shares that holders have not previously elected to convert shall be converted on the Series F Conversion Date into Series E Preferred Shares and the holders thereof shall be deemed to be holders of Series E Preferred Shares at 5:00 p.m. (Toronto time) on the Series F Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series F Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series E Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).

Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series F Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series E Preferred Shares registered in the name of the holders of the Series F Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series F Preferred Shares of the certificate or certificates for the Series F Preferred Shares to be converted. If only a part of such Series F Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series F Conversion Notice, the Series F Preferred Shares converted into Series E Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph (14) shall fail to deliver to the holders of the Series F Preferred Shares to be converted share certificates representing the Series E Preferred Shares into which such shares have been converted. The obligation of the Corporation to issue Series E Preferred Shares upon conversion of any Series F Preferred Shares shall be deferred during the continuance of any one or more of the following events:

the issuing of such Series E Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;

the issuing of such Series E Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or

for any reason beyond its control, the Corporation is unable to issue Series E Preferred Shares or is unable to deliver Series E Preferred Shares.

The Corporation reserves the right not to deliver Series E Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series E Preferred Shares, and the Corporation shall attempt to sell such Series E Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series E Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series E Preferred Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series F Preferred Shares shall be entitled to receive \$25.00 per Series F Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series F Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series F Preferred Shares in any respect. After payment to the holders of the Series F Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

Voting Rights

The holders of the Series F Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series F Preferred Shares pursuant to clause 2 hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series F Preferred Shares remain in arrears, the holders of the Series F Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series F Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three

members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series F Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

Restrictions on Partial Redemption or Purchase

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

Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series F Preferred Shares are outstanding, the Corporation shall not: declare, pay or set apart for payment any dividends (other than stock dividends

in shares of the Corporation ranking junior to the Series F Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series F Preferred Shares with respect to payment of dividends; or call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series F Preferred Shares with respect to repayment of capital or with respect to payment of dividends; unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series F Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series F Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

Issue of Additional Preferred Shares

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

Sanction by Holders of Series F Preferred Shares

The approval of the holders of the Series F Preferred Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series F Preferred Shares outstanding or by resolution duly passed and carried by not less than two thirds of the votes cast on a poll at a meeting of the holders of the Series F Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series F Preferred Shares then outstanding are present in person or represented by proxy in accordance with the by laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series F Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series F Preferred Shares present in person or so represented by proxy, whether or not they hold a majority of all Series F Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series F Preferred Shares, Notice of any such original meeting of the holders of the Series F Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the

purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series F Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series F Preferred Shares held by such holder.

Tax Election

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

Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series F Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13).

Holders of Series F Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Income Tax Act (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

Book Based System

Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series F Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series F Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book Based System), and

registrations of ownership, transfers, surrenders and conversions of Series F Preferred Shares shall be made only through the Book Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series F Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book entry account of a Participant acting on behalf of such holder.

Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series F Preferred Shares:

the System Operator shall be considered the sole owner of the Series F Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series F Preferred Shares or the delivery of Series E Preferred Shares and certificates therefor upon the exercise of rights of conversion; and

the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series F Preferred Shares, the cash redemption price for the Series F Preferred Shares or certificates for Series E Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series F Preferred Shares.

If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series F Preferred Shares from the Book Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series F Preferred Shares and the Corporation shall notify Book Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series F Preferred Shares accompanied by registration instructions for re registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion with respect to Series F Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series F Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series F Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or

electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series F Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series F Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series F Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

Amendments

The provisions attaching to the Series F Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the Canada Business Corporations Act, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series F Shares may be listed.

Cumulative Redeemable Rate Reset First Preferred Shares, Series G

SERIES G FIRST PREFERRED SHARES

The seventh series of First Preferred Shares of the Corporation shall consist of 6,600,000 shares designated as Cumulative Redeemable Rate Reset First Preferred Shares, Series G (the "**Series G Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series G Preferred Shares shall be as follows:

1. Interpretation

- (a) In these Series G Preferred Share provisions, the following expressions have the meanings indicated:
 - (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.80%;
 - (ii) "**Bloomberg Screen GCANSYR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial LP. service or its successor service (or such other page as may . replace the GCAN5YR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
 - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
 - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
 - (v) "**Book-Entry Shares**" means the Series G Preferred Shares held through the Book-Based System;
 - (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
 - (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

- (viii) "**Common Shares**" means the common shares of the Corporation;
- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series G Preferred Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.80%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCANSYR Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCANSYR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;

- (xvii) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series G Preferred Shares to but excluding September 30, 2019;
- (xviii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xix) "**Participants**" means the participants in the Book-Based System;
- (xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxii) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing September 30, 2019;
- (xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly-Commencement Date;
- (xxiv) "**Series G Conversion Date**" means September 30, 2019, and September 30 in every fifth year thereafter;
- (xxv) "**Series H Preferred Shares**" means the Cumulative Redeemable Floating Rate First Preferred Shares, Series H of the Corporation;
- (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2019, to but excluding September 30, 2024, and for each succeeding Subsequent Fixed Rate. Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter;

(xxvii) "**System Operator**" means CDS or its nominee or any successor thereof;

(xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

- (b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series G Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a-Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series G Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.325 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on December 31, 2014, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.325 by the number of days in the period from and including the date of issue of the Series G Preferred Shares to but excluding, December 31, 2014, and dividing that product by 365.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series G Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series G Preferred Shares. The Corporation shall, on each Fixed Rate

Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series G Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series G Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series G Preferred Shares then outstanding, such dividend or the unpaid part of -it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series G Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (8) and subject to such provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (If obtainable) for cancellation all or any part of the Series G Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series G Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series G Preferred Shares outstanding, or

(c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph (3) more Series G Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase¹ then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series G Preferred Shares so tendered by each of the holders of Series G Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series G Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.^{1res.}

4. Redemption

- (a) The Series G Preferred Shares shall not be redeemable prior to September 30, 2019. Subject to the provisions of paragraph (8), on September 30, 2019, and on September 30 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series G Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "redemption amount") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series G Preferred Share is \$25.00.
- (b) In any case of redemption of Series G Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series G Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series G Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series G Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the

registered holders of the Series G Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series G Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series G Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series G Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series G Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series G Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series G Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Series G Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors or the transfer agent and registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board of Directors so decides, such shares may be redeemed pro rata (disregarding fractions).

5. Conversion into Series H Preferred Shares

- (a) The Series G Preferred Shares shall not be convertible prior to September 30, 2019. Holders of Series G Preferred Shares shall have the right to convert on each Series G Conversion Date, subject to the provisions hereof, all or any of their Series G Preferred Shares into Series H Preferred Shares on the basis of one Series H Preferred Share for each Series G Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series G Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series G Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series G Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series G Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series G Preferred Shares of the Annual Fixed Dividend Rate for the Series G Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series H Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(c).
- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series G Preferred Shares of the redemption of all of the Series G Preferred Shares, then the right of a holder of Series G Preferred Shares to convert such Series G Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series G Preferred Shares shall not be entitled to convert their shares into Series H Preferred Shares if the Corporation determines that there would remain outstanding on a Series G Conversion Date less than 1,000,000 Series H Preferred Shares, after having taken into account all Series G Preferred Shares tendered for conversion into Series H Preferred Shares and all Series H Preferred Shares tendered for conversion into Series G Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to all affected registered holders of the Series G Preferred Shares at least seven days prior to the applicable Series G Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series G Conversion Date, at the expense of the Corporation, to such holders of Series G Preferred Shares who have surrendered for conversion any certificate or certificates representing Series G Preferred Shares, certificates representing the Series G Preferred Shares represented by any certificate or certificates so surrendered.

- (d) If the Corporation determines that there would remain outstanding on a Series G Conversion Date less than 1,000,000 Series G Preferred Shares, after having taken into account all Series G Preferred Shares tendered for conversion into Series H Preferred Shares and all Series H Preferred Shares tendered for conversion into Series G Preferred Shares, then all of the remaining outstanding Series G Preferred Shares shall be converted automatically into Series H Preferred Shares on the basis of one Series H Preferred Share for each Series G Preferred Share on the applicable Series G Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(c) to the then registered holders of such remaining Series G Preferred Shares at least seven days prior to the Series G Conversion Date.
- (e) The conversion right may be exercised by a holder of Series G Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "Series G Conversion Notice"), which notice must be received by the transfer agent and registrar for the Series G Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series G Conversion Date. The Series G Conversion Notice shall indicate the number of Series G Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of applicable taxes. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series H Preferred Shares are in the Book-Based System, if the Series H Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series G Preferred Shares to be converted, the Series G Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series H Preferred Shares in some other name or names (the "Series H Transferee") and stating the name or names (with addresses) accompanied by payment to the transfer agent and any registrar of any transfer taxes which may be payable by reason thereof, and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series H Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series H Transferee to hold such Series H Preferred Shares.
- (f) If all remaining outstanding Series G Preferred Shares are to be converted into Series H Preferred Shares on the applicable Series G Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series G Preferred Shares that holders have not previously elected to convert shall be converted on the Series G Conversion Date into Series H Preferred Shares and the holders thereof shall be deemed to be holders of Series H Preferred Shares at 5:00 p.m. (Toronto time)

on the Series G Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series G Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series H Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).

- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series G Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series H Preferred Shares registered in the name of the holders of the Series G Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series G Preferred Shares of the certificate or certificates for the Series G Preferred Shares to be converted. If only a part of such Series G Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series G Conversion Notice, the Series G Preferred Shares converted into Series H Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph (14), to deliver to the holders of the Series G Preferred Shares to be converted share certificates representing the Series H Preferred Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series H Preferred Shares upon conversion of any Series G Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series H Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series H Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series H Preferred Shares or is unable to deliver Series H Preferred Shares.
- (i) the Corporation reserves the right not to deliver Series H Preferred Shares to any person that the Corporation or its transfer agent and

registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series H Preferred Shares, and the Corporation shall attempt to sell such Series H Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series H Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series H Preferred Shares shall be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding- up

In the event of a Liquidation, the holders of the Series G Preferred Shares shall be entitled to receive \$25.00 per Series G Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series G Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series G Preferred Shares in any respect. After payment to the holders of the Series G Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series G Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series G Preferred Shares pursuant to paragraph (2) hereof on the dates when the same should be paid, whether or .not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter, but only for so long as any dividends on the Series G Preferred Shares remain in arrears, the holders of the Series G Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series G Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors

or three members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series G Preferred Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held. for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restrictions on Partial Redemption or Purchase

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

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series G Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series G Preferred Shares with respect to payment of dividends; or
- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series G Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series G Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series G Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series G Preferred Shares

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

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

12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series G Preferred Shares shall be required to pay tax on dividends received on the Series G Preferred Shares under section 187.2 of such Act or any successor or replacement provision of similar effect. Nothing in this paragraph shall prevent the Corporation from entering into an agreement with a taxable Canadian corporation with which it is related to transfer all or a portion of the Corporation's liability for tax under section 191.1 of the Income Tax Act (Canada) to that taxable Canadian corporation in accordance with the provisions of section 191.3 of such Act.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order

to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series G Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13). Holders of Series G Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Income Tax Act (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System.

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the series G Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series G Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & CO." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System}, and registrations of ownership, transfers, surrenders and conversions of Series G Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series G Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series G Preferred Shares:
 - (i) the System Operator shall be considered the sole owner of the Series G Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series G Preferred Shares or the delivery of Series H Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series G Preferred Shares, the cash redemption price for the Series G

Preferred Shares or certificates for Series H Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series G Preferred Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series G Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series G Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series G Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion, with respect to Series G Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series G Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series G Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series G Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series G Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series G Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise

payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series G Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the Canada Business Corporations Act, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series G Shares may be listed.

Cumulative Redeemable Floating Rate First Preferred Shares, Series H

SERIES H FIRST PREFERRED SHARES

The eighth series of First Preferred Shares of the Corporation shall consist of 6,600,000 shares designated as Cumulative Redeemable Floating Rate First Preferred Shares, Series H (the "**Series H Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series H Preferred Shares shall be as follows:

1. Interpretation

- (a) In these Series H Preferred Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.80%;
 - (ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial LP. service or its successor service (or such other page as may replace the GCAN5YR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;
 - (iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
 - (iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
 - (v) "**Book-Entry Shares**" means the Series H Preferred Shares held through the Book-Based System;
 - (vi) "**Business Day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
 - (vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

- (viii) "**Common Shares**" means the common shares of the Corporation;
- (ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series H Preferred Shares;
- (x) "**Dividend Payment Date**" means the last day of March, June, September and December, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day;
- (xi) "**First Preferred Shares**" means the first preferred shares of the Corporation;
- (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;
- (xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.80%;
- (xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;
- (xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;
- (xvi) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years;

- (xvii) "**Liquidation**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;
- (xviii) "**Participants**" means the participants in the Book-Based System;
- (xix) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xx) "**Quarter**" means a three-month period ending on a Dividend Payment Date;
- (xxi) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing September 30, 2019;
- (xxii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;
- (xxiii) "**Series G Preferred Shares**" means the Cumulative Redeemable Rate Reset First Preferred Shares, Series G of the Corporation;
- (xxiv) "**Series H Conversion Date**" means September 30, 2024, and September 30 in every fifth year thereafter;
- (xxv) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2019, to but excluding September 30, 2024, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter;
- (xxvi) "**System Operator**" means CDS or its nominee or any successor thereof; and
- (xxvii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate 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.

- (b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
- (c) If any day on which any dividend on the Series H Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series H Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series H Preferred Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series H Preferred Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series H Preferred Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or

conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series H Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series H Preferred Shares shall not be entitled to any dividend other than as specified in this paragraph (2).

3. Purchase for Cancellation

Subject to the provisions of paragraphs (5) and (8) and subject to such provisions of the Canada Business Corporations Act as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series H Preferred Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series H Preferred Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series H Preferred Shares outstanding, or
- (c) in any other manner;

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

Series H Preferred Shares under the provisions of this paragraph (3), the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) Subject to the provisions of paragraph (8), the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series H Preferred Shares by the payment of an amount in cash for each share to be redeemed equal to:
 - (i) \$25.00 in the case of a redemption on a Series H Conversion Date on or after September 30, 2024, or
 - (ii) \$25.50 in the case of a redemption on any other date after September 30, 2024 that is not a Series H Conversion Date, (such amount being the "redemption amount") plus, in the case of each of (i) and (ii), all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series H Preferred Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series H Preferred Share is \$25.00.
- (b) In any case of redemption of Series H Preferred Shares under the provisions of this paragraph (4), the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series H Preferred Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series H Preferred Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series H Preferred Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series H Preferred Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series H Preferred Shares called for redemption, subject to the provisions of paragraph (14). Such payment shall be

made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series H Preferred Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series H Preferred Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series H Preferred Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series H Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series H Preferred Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the Canada Business Corporations Act as may be applicable, in case a part only of the then outstanding Series H Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by or in such manner as the Board of Directors or the transfer agent and registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the Board of Directors so decides, such shares may be redeemed pro rata (disregarding fractions).

5. Conversion into Series G Preferred Shares

- (a) The Series H Preferred Shares shall not be convertible prior to September 30, 2024. Holders of Series H Preferred Shares shall have the right to convert on each Series H Conversion Date, subject to the provisions hereof, all or any of their Series H Preferred Shares into

Series G Preferred Shares on the basis of one Series G Preferred Share for each Series H Preferred Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series H Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series H Preferred Shares of the conversion right provided for in this paragraph (5), which notice shall set out the Series H Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series H Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series H Preferred Shares of the Annual Fixed Dividend Rate for the Series G Preferred Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series H Preferred Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph (2)(b).

- (b) If the Corporation gives notice as provided in paragraph (4) to the holders of the Series H Preferred Shares of the redemption of all of the Series H Preferred Shares, then the right of a holder of Series H Preferred Shares to convert such Series H Preferred Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph (5).
- (c) Holders of Series H Preferred Shares shall not be entitled to convert their shares into Series G Preferred Shares if the Corporation determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series G Preferred Shares, after having taken into account all Series H Preferred Shares tendered for conversion into Series G Preferred Shares and all Series G Preferred Shares tendered for conversion into Series H Preferred Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to all affected registered holders of the Series H Preferred Shares at least seven days prior to the applicable Series H Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series H Conversion Date, at the expense of the Corporation, to such holders of Series H Preferred Shares who have surrendered for conversion any certificate or certificates representing Series H Preferred Shares, certificates representing the Series H Preferred Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series H Preferred Shares, after having taken into account all Series H Preferred Shares tendered for conversion into Series G Preferred Shares and all Series G Preferred Shares tendered for conversion into Series H Preferred Shares,

then all of the remaining outstanding Series H Preferred Shares shall be converted automatically into Series G Preferred Shares on the basis of one Series G Preferred Share for each Series H Preferred Share on the applicable Series H Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph (2)(b) to the then registered holders of such remaining Series H Preferred Shares at least seven days prior to the Series H Conversion Date.

- (e) The conversion right may be exercised by a holder of Series H Preferred Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series H Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series H Preferred Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series H Conversion Date. The Series H Conversion Notice shall indicate the number of Series H Preferred Shares to be converted and shall be accompanied by payment or evidence of payment of applicable taxes. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series G Preferred Shares are in the Book-Based System, if the Series G Preferred Shares are to be registered in a name or names different from the name or names of the registered holder of the Series H Preferred Shares to be converted, the Series H Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series G Preferred Shares in some other name or names (the "Series H Transferee") and stating the name or names (with addresses) accompanied by payment to the transfer agent and any registrar of any transfer taxes which may be payable by reason thereof, and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series H Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series H Transferee to hold such Series G Preferred Shares.
- (f) If all remaining outstanding Series H Preferred Shares are to be converted into Series G Preferred Shares on the applicable Series H Conversion Date as provided for in subparagraph (d) of this paragraph (5), the Series H Preferred Shares that holders have not previously elected to convert shall be converted on the Series H Conversion Date into Series G Preferred Shares and the holders thereof shall be deemed to be holders of Series G Preferred Shares at 5:00 p.m. (Toronto time) on the Series H Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series H Preferred Shares not

previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series G Preferred Shares in the manner and subject to the provisions of this paragraph (5) and paragraph (14).

- (g) Subject to subparagraph (h) of this paragraph (5) and paragraph (14), as promptly as practicable after the Series H Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series G Preferred Shares registered in the name of the holders of the Series H Preferred Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series H Preferred Shares of the certificate or certificates for the Series H Preferred Shares to be converted. If only a part of such Series H Preferred Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series H Conversion Notice, the Series H Preferred Shares converted into Series G Preferred Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph (14) shall fail to deliver to the holders of the Series H Preferred Shares to be converted share certificates representing the Series G Preferred Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series G Preferred Shares upon conversion of any Series H Preferred Shares shall be deferred during the continuance of any one or more of the following events:
 - (i) the issuing of such Series G Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
 - (ii) the issuing of such Series G Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting-in conformity with law; or
 - (iii) for any reason beyond its control, the Corporation is unable to issue Series G Preferred Shares or is unable to deliver Series G Preferred Shares.
- (i) The Corporation reserves the right not to deliver Series G Preferred Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities

laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series G Preferred Shares, and the Corporation shall attempt to sell such Series G Preferred Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series G Preferred Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series G Preferred Shares shall be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series H Preferred Shares shall be entitled to receive \$25.00 per Series H Preferred Share plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a pro rata basis for the period from and including the last Dividend Payment Date on which dividends on the Series H Preferred Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series H Preferred Shares in any respect. After payment to the holders of the Series H Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of the Series H Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting unless and until the Corporation fails to pay in the aggregate six quarterly dividends on the Series H Preferred Shares pursuant to paragraph (2) hereof on the dates when the same should be paid, whether or not consecutive, and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends; thereafter;. but only for so long as any dividends on the Series H Preferred Shares remain In arrears, the holders of the Series H Preferred Shares shall be entitled to one vote for each full \$25.00 of subscription price of the Series H Preferred Shares held by them and in addition shall be entitled, voting separately and exclusively as a combined class with the holders of all series of First Preferred Shares who at such time are entitled to vote for the election of directors, to elect two members of the board of directors if the board consists of less than sixteen directors or three members of the board of directors if the board consists of sixteen or more directors. Notwithstanding anything contained in the by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series H Preferred

Shares as provided in this paragraph or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held shall terminate upon the election of directors at the next annual meeting of shareholders or at a special meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' written notice and which shall be called by the Secretary of the Corporation upon the written request of the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares then entitled to vote for the election of directors; in default of the calling of such special meeting by the Secretary within five days-after the making of such request such meeting may be called by any holder of record of First Preferred Shares then entitled to vote for the election of directors. Any vacancy occurring among the members of the board elected to represent the holders of any First Preferred Shares in accordance with the foregoing provisions of this paragraph may be filled by the board with the consent and approval of a remaining director elected to represent the holders of First Preferred Shares but if there be no such remaining director the board may elect sufficient members to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board, the holders of record of at least one-tenth of the aggregate subscription price of the then outstanding First Preferred Shares entitled to vote for the election of directors shall have the right to require the Secretary of the Corporation to call a meeting of the holders of First Preferred Shares entitled to vote for the election of directors for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of the First Preferred Shares entitled to vote for the election of directors. Notwithstanding anything contained in the by-laws of the Corporation, (1) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preferred Shares entitled to vote for the election of directors shall forthwith terminate and (2) it shall not be necessary for a person to be a holder of First Preferred Shares in order to qualify for election or appointment as a director of the Corporation to represent the holders of First Preferred Shares as described hereunder.

8. Restrictions on Partial Redemption or Purchase

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

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

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

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series H Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series H Preferred Shares with respect to payment of dividends; or
- (b) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series H Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series H Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series H Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

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

11. Sanction by Holders of Series H Preferred Shares

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

the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series H Preferred Shares, Notice of any such original meeting of the holders of the Series H Preferred Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series H Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series H Preferred Shares held by such holder.

12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of Series H Preferred Shares shall be required to pay tax on dividends received on the Series H Preferred Shares under section 187.2 of such Act or any successor or replacement provision of similar effect. Nothing in this paragraph shall prevent the Corporation from entering into an agreement with a taxable Canadian corporation with which it is related to transfer all or a portion of the Corporation's liability for tax under section 191.1 of the Income Tax Act (Canada) to that taxable Canadian corporation in accordance with the provisions of section 191.3 of such Act.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, Issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series H Preferred Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution,

issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph (13).

Holders of Series H Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Income Tax Act (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph (14) and notwithstanding the provisions of paragraphs (1) through (13) of these share provisions, the Series H Preferred Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series H Preferred Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & CO." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series H Preferred Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph (14), no beneficial holder of Series H Preferred Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs (1) through (13), so long as the System Operator is the registered holder of the Series H Preferred Shares:
 - (i) the System Operator shall be considered the sole owner of the Series H Preferred Shares for the purposes of receiving notices or payments on or in respect of the Series H Preferred Shares or the delivery of Series G Preferred Shares and certificates therefor upon the exercise of rights of conversion; and
 - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series H Preferred Shares, the cash redemption price for the Series H Preferred Shares or certificates for Series G Preferred Shares against delivery to the Corporation's account with the System Operator of such holders' Series H Preferred Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series H Preferred Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph (14) shall no longer be applicable to the Series H Preferred Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series H Preferred Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs (1) through (13) and the exercise of rights of redemption and conversion with respect to Series H Preferred Shares are subject to the provisions of this paragraph (14), and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph (14) shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series H Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series H Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series H Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series H Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series H Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the

Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to -the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series H Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the Canada Business Corporations Act, with any such approval to be given in accordance with paragraph (11) and with any required approvals of any stock exchanges on which the Series H Shares may be listed.

Redeemable First Preferred Shares, Series I

SHARE TERMS FOR SERIES I FIRST PREFERRED SHARES

The ninth series of First Preferred Shares of the Corporation shall consist of 400,000 shares designated as Redeemable First Preferred Shares, Series I (the "**Series I Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, Series I shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Interpretation.

(a) **Definitions.** In these Series I Preferred Share provisions, the following expressions have the meanings indicated:

- (i) "**Affiliate**" means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified and for the avoidance of doubt, in the case of the Investor, "Affiliate" includes investment funds managed by Brookfield or its Affiliates but does not include any Affiliates of the Investor that operate behind an information wall erected to prevent exchanges or communication of non-public information that could result in conflicts of interest or breaches of Securities Laws.
- (ii) "**Articles**" means the articles of amalgamation of the Corporation, as supplemented, amended or replaced from time to time.
- (iii) "**Board of Directors**" means the board of directors of the Corporation, as constituted from time to time.
- (iv) "**Brookfield**" has the meaning specified in the Investment Agreement.
- (v) "**Business Day**" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in both Calgary, Alberta and Toronto, Ontario.
- (vi) "**Canadian Financial Institution**" means "Canadian financial institution" as defined in Section 1.1 of National Instrument 45-106 - Prospectus Exemptions.
- (vii) "**Cash Acceleration Event**" means, subject to Section 2.3(b) of the Exchange and Option Agreement, the occurrence of an event or circumstance specified as such in Section 6(b)(ii).
- (viii) "**CBCA**" means the Canada Business Corporations Act.

- (ix) "**Common Shares**" means the common shares in the capital of the Corporation, as constituted from time to time.
- (x) "**Corporation**" means TransAlta Corporation.
- (xi) "**Debentures**" means the unsecured subordinated debenture in the principal amount of \$350,000,000 issued by the Corporation to Eagle Investment II LP on May 1, 2019 and includes any other unsecured, subordinated debentures issued by the Corporation pursuant to the Investment Agreement and having identical terms and conditions to the first debenture.
- (xii) "**Dividend Payment Date**" means the last day of February, May, August and November, in each year; provided that, if such date is not a Business Day, the applicable Dividend Payment Date will be the next succeeding Business Day.
- (xiii) "**Early Exchange Event**" has the meaning specified in the Exchange and Option Agreement.
- (xiv) "**Exchange**" means an Exchange of the Securities as defined in and pursuant to and on the terms and conditions of the Exchange and Option Agreement.
- (xv) "**Exchange and Option Agreement**" means the exchange and option agreement dated as of May 1, 2019 between the Corporation and the Investor.
- (xvi) "**Exchange Right**" has the meaning specified in the Exchange and Option Agreement.
- (xvii) "**Exchange Right Approvals**" means approvals of a Governmental Entity that, if not obtained, would prevent the Corporation from satisfying the Investor's exercise of the Exchange Right; provided that, for greater certainty, such approvals do not include any Regulatory Approvals required in connection with the completion of the Hydro Assets Reorganization.
- (xviii) "**First Preferred Shares**" means the first preferred shares of the Corporation, as specified in the Articles.
- (xix) "**Governmental Entity**" means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, (including an independent quasi-judicial tribunal), commission or board (including any independent system operator), arbitral body, bureau, ministry, agency or instrumentality, domestic or foreign,

(b) any subdivision or authority of any of the above, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (d) any stock exchange. For the avoidance of doubt, "Governmental Entity" includes Securities Regulators (as defined in the Exchange and Option Agreement), the Alberta Utilities Commission, the Federal Energy Regulatory Commission and the North American Electric Regulatory Corporation and any applicable regional reliability entity, electric system operator, public utilities commission, public service commission or equivalent entity.

- (xx) "**Holder**" in respect of Series I Preferred Shares means the Investor and at any time the Series I Preferred Shares are transferred in accordance with their terms, the Permitted Transferees in whose name the Series I Preferred Shares are registered.
- (xxi) "**Hydro Assets Reorganization**" has the meaning specified in the Exchange and Option Agreement.
- (xxii) "**Hydro Assets Reorganization Event**" has the meaning specified in the Exchange and Option Agreement.
- (xxiii) "**Investment Agreement**" means the investment agreement dated as of March 22, 2019, between the Corporation and the Investor (to whom the Investment Agreement was assigned by Brookfield BRP Holdings (Canada) Inc. to the Investor on April 30, 2019), as amended, supplemented, restated, converted, exchanged or replaced from time to time.
- (xxiv) "**Investor**" means Eagle Hydro II LP, a limited partnership existing under the laws of Ontario, or, at and after the time, if any, that all of the rights of the party that is the "Investor" under the Exchange and Option Agreement is assigned to a Permitted Assignee in accordance with the terms of the Exchange and Option Agreement, the Permitted Assignee to whom such rights have been so assigned.
- (xxv) "**Liquidation Date**" has the meaning specified in Section 5(a).
- (xxvi) "**Liquidation Event**" has the meaning specified in Section 5(a).
- (xxvii) "**Mandatory Redemption**" has the meaning specified in Section 6(f).
- (xxviii) "**Mandatory Redemption Date**" has the meaning specified in Section 6(f)(ii).

- (xxix) "**Optional Redemption**" has the meaning specified in Section 6.
- (xxx) "**Payment Date**" means the Liquidation Date, Redemption Date or Mandatory Redemption Date, as applicable.
- (xxxii) "**Person**" has the meaning specified in the Investment Agreement.
- (xxxiii) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation Event, Redemption Event or Exchange is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for a Liquidation Event, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.
- (xxxiv) "**Quarter**" means a three-month period ending on a Dividend Payment Date.
- (xxxv) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing September 30, 2019.
- (xxxvi) "**Quarterly Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date.
- (xxxvii) "**Redemption Consideration**" means, in respect of a Series I Preferred Share, at any particular time, the Series I Preferred Share Subscription Price plus the amount of any accrued but unpaid dividends on that Series I Preferred Share.
- (xxxviii) "**Redemption Date**" means the date, if any, established by the Board of Directors in good faith in connection with the occurrence of a Redemption Event, for the redemption by the Corporation of the Series I Preferred Shares in accordance with Section 6.
- (xxxix) "**Redemption Event**" means an Optional Redemption or a Mandatory Redemption.
- (xl) "**Securities**" means these Series I Preferred Shares and the Debentures.
- (xli) "**Securities Laws**" has the meaning specified in the Investment Agreement.

- (xli) "**Series I Preferred Share Subscription Price**" means the subscription price paid, per share, for any Series I Preferred Share on the date of issuance, being \$1,000.
- (xlii) "**Series I Preferred Share Yield**" means an amount equal to the amount accruing (subject to any deduction or withholding required by law) on a daily basis of a 365-day year in respect of an Series I Preferred Share (commencing upon the date of issuance of such Series I Preferred Share) at the Series I Preferred Share Yield Rate, on the Series I Preferred Share Subscription Price for such Series I Preferred Share. For the avoidance of doubt, (i) such Series I Preferred Share Yield shall accrue whether or not dividends have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and (ii) the "date of issuance" of any Series I Preferred Share shall be the date on which the Corporation initially issued such Series I Preferred Share regardless of the number of times transfer of such Series I Preferred Share is made on the share registers maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such Series I Preferred Share.
- (xliii) "**Series I Preferred Share Yield Rate**" means 7% per annum.
- (xliv) "**Series I Preferred Shares**" mean the Redeemable, First Preferred Shares, Series I in the capital of the Corporation, as constituted from time to time.
- (xlv) "**Subsidiary**" or "**subsidiary**" has the meaning specified in the Investment Agreement.
- (xlvi) "**Tax Act**" means the Income Tax Act (Canada).
- (xlvii) "**Transfer**" means any sale, transfer, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of a security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntarily and whether or not for value, and any agreement to effect any of the above, but does not include the sale, exchange or redemption of any Series I Preferred Shares under these Series I Preferred Share provisions.

(b) **Control.**

- (i) For purposes hereof:
 - (A) a Person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that

may be cast to elect directors of the body corporate are beneficially owned by the Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

- (B) a Person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that Person and the Person is able to direct the business and affairs of the entity; and
 - (C) the general partner of a limited partnership controls the limited partnership.
- (ii) A Person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity.
 - (iii) A Person is deemed to control, within the meaning of Section 1 (b)(i)(A) or Section 1 (b)(i)(B), an entity if the aggregate of:
 - (A) any securities of the entity that are beneficially owned by that Person; and
 - (B) any securities of the entity that are beneficially owned by any entity controlled by that Person, is such that, if that Person and all of the entities referred to in Sections 1 (b)(i) and 1 (b)(ii) that beneficially own securities of the entity were one Person, that Person would control the entity.
- (c) **Interpretation.**
- (i) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation Event.
 - (ii) If any day on which any dividend on the Series I Preferred Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

2. Voting and Amendment.

(a) **Non-Voting.** Except as required by applicable law and by Section (b), the holders of the Series I Preferred Shares are not entitled to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting.

(b) **Amendment and Approval Requirements.**

- (i) The rights and privileges attaching to the Series I Preferred Shares may be removed or changed, and the restrictions and conditions attaching to the Series I Preferred Shares may be added to or changed, only with the approval of the Investor.
- (ii) For purposes of these Series I Preferred Share provisions, subject to compliance with Section 8(c) where an action is to be taken by Holders of the Series I Preferred Shares, in addition to the requirements of applicable law, if any, such action may be taken if such Holders:
 - (A) pass a written resolution to such effect in accordance with the requirements of the CBCA; or
 - (B) pass a resolution by the requisite majority as required by applicable law or as specified herein of votes cast on such resolution to such effect at a duly constituted meeting of such holders, voting as a single class.

(c) **Class Voting.** Subject to the provisions of the CBCA, the Holders of the Series I Preferred Shares are not entitled to vote separately as a class upon any proposal to amend the Articles, except for any proposal that disproportionately and adversely affects the Series I Preferred Shares or the Holders thereof, relative to the other classes of shares in the authorized capital of the Corporation (or the as proposed authorized capital of the Corporation) or the Holders thereof.

3. Dividends.

(a) The Holders of the Series I Preferred Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, which dividends shall accrue whether or not declared by the Board of Directors and whether or not there are funds available for the legal payment of dividends, on a daily basis in arrears at the Series I Preferred Share Yield Rate and are payable on each Dividend Payment Date, in the amount per share determined by multiplying the Series I Preferred Share Yield Rate for such Quarterly Rate Period by the Series I Preferred Share Subscription Price plus all accrued but unpaid dividends thereon and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Rate Period that the Series I Preferred Shares are issued and outstanding and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year. To the extent not paid on any applicable Dividend Payment Date all accrued dividends on the Series I Preferred Shares shall accumulate and compound on such applicable Dividend Payment Date whether or not declared by the Board of Directors and shall remain accumulated, compounding dividends until paid pursuant hereto.

(b) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation Event, Redemption Event or Exchange that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation Event, Redemption Event or Exchange instead of the dividend declared, but if such Liquidation Event, Redemption Event or Exchange does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(c) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series I Preferred Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

(d) Subject to Section 11, cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(e) The Holders of the Series I Preferred Shares shall not be entitled to any dividend other than as specified in this Section 3.

4. Purchase for Cancellation.

Subject to the provisions of Section 6.(i) and subject to such provisions of the CBCA as may be applicable, the Corporation may at any time or times and in any manner purchase (if obtainable) for cancellation all or any part of the Series I Preferred Shares outstanding from time to time at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this Section 4 more Series I Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series I Preferred Shares so tendered by each of the Holders of Series I Preferred Shares who submit tenders at that price. From and after the date of purchase of any Series I Preferred Shares under the provisions of this Section 4, the shares so purchased shall be cancelled and shall not be reissuable.

5. Liquidation.

(a) **Rights on Liquidation.** Upon the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation to its shareholders for the purpose of winding up its affairs

(a "Liquidation Event"), a Holder of Series I Preferred Shares is entitled, subject to applicable law, to receive from the assets of the Corporation in respect of each Series I Preferred Share held by such Holder on the effective date (the "Liquidation Date") of such Liquidation Event, before any distribution of any part of the assets of the Corporation among the holders of Common Shares or any other shares of the Corporation ranking junior with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Redemption Consideration as of the last Business Day prior to the Liquidation Date, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of Common Shares or to the holders of any other shares ranking junior to the Series I Preferred Shares in any respect.

(b) **Method of Distribution on Liquidation.**

- (i) On or before the Liquidation Date, the Corporation will cause to be delivered to the Holders of the Series I Preferred Shares the Redemption Consideration for each such Series I Preferred Share upon presentation and surrender of the documents specified in Section 6(h).
- (ii) After the Corporation has satisfied its obligation to pay to the Holders of Series I Preferred Shares the full amount of the Redemption Consideration pursuant to Section 6(b)(i), such Holders are not entitled to share in any further distribution of the assets of the Corporation.

(c) **Solvency Restrictions.** Notwithstanding any other provision of these Articles, the Corporation is not obligated to deliver any Redemption Consideration to the extent that the delivery of the Redemption Consideration with respect to the then outstanding Series I Preferred Shares would be contrary to solvency requirements or any other provision of applicable law.

6. Redemption.

(a) **Redemption by the Corporation.**

- (i) Subject to applicable law, at any time after December 31, 2028 that the Board of Directors has authorized the Corporation to redeem Series I Preferred Shares, the Corporation shall have the right to redeem (an "**Optional Redemption**") on the Redemption Date all or any part of the then outstanding Series I Preferred Shares for the Redemption Consideration as of the last Business Day prior to the Redemption Date for each Series I Preferred Share, provided that each such redemption, other than an Optional Redemption that is to redeem the balance of the outstanding Series I Preferred Shares, must be for an amount of Redemption Consideration that is, when added to the

consideration from all Redemption Consideration paid by the Corporation for all the Securities being redeemed by the Corporation concurrently with the Series I Preferred Shares from the holder thereof, is not less than \$100,000,000 in the aggregate.

- (ii) In the event of an Optional Redemption of less than all of the Securities, the Corporation shall within thirty-six months of the first Optional Redemption have redeemed all of the then outstanding Securities.
- (iii) Any Optional Redemption or Optional Redemption Notice may, at the Corporation's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an equity or other offering, issuance of indebtedness, or other corporate transaction or event. Notice of any redemption in respect thereof will be given prior to the completion thereof and may be partial as a result of only some of the conditions being satisfied. If an Optional Redemption is subject to the satisfaction of one or more conditions precedent, the related Optional Redemption Notice shall describe each such condition, and if applicable, state that, in the Corporation's discretion, the Optional Redemption Date may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the Optional Redemption Date; provided that any failure of the Issuer to include such information in the applicable Optional Redemption Notice shall not impact the Corporation's right to rescind the Optional Redemption Notice if the applicable condition precedents are not satisfied.

(b) **Mandatory Redemption on Cash Acceleration.**

- (i) Upon the occurrence of a Cash Acceleration Event, the Corporation shall redeem all but not less than all of the then outstanding Series I Preferred Shares. If such redemption would be contrary to solvency requirements or other provisions of applicable law, the Corporation will redeem Series I Preferred Shares in accordance with these share provisions on a pro rata basis and will issue to each Holder of Series I Preferred Shares a new certificate, at the expense of the Corporation, representing the Series I Preferred Shares of that Holder not redeemed by the Corporation.
- (ii) The occurrence of any one or more of the following events or circumstances shall constitute a "Cash Acceleration Event":
 - (A) provided that the Hydro Assets Reorganization is completed in the manner described in the Investment Agreement, any Exchange Right Approvals are not

obtained on terms acceptable to the Investor and the Corporation, each acting reasonably; or

(B) a final and non-appealable order is issued by a court of competent jurisdiction that enjoins the satisfaction of the Exchange Right.

(iii) Notwithstanding anything contained in the Series I Preferred Share terms to the contrary, the Investor's right to accelerate the Corporation's payment obligations pursuant to and on the terms and conditions provided therefor in this Section 6(b) shall be the sole and exclusive remedy for any Cash Acceleration Event. No other right or remedy in respect of any Cash Acceleration Event shall be available to the Investor or the Holder under the Series I Preferred Share terms. For greater certainty, nothing herein shall restrict the exercise of any rights or remedies of the Investor in respect of the Investment Agreement.

(c) **Consideration.** The consideration for a redemption under Section 6 is to be paid and satisfied in full by the Corporation causing to be delivered on the Redemption Date to each such Holder of Series I Preferred Shares immediately available funds equal to the Redemption Consideration for the Series I Preferred Shares being redeemed.

(d) **Restrictions on Payment of Dividends and Reduction of Junior Capital.** So long as any of the Series I Preferred Shares are outstanding, the Corporation shall not:

- (i) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series I Preferred Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series I Preferred Shares with respect to payment of dividends; or
- (ii) call for redemption of, purchase, reduce the stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series I Preferred Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series I Preferred Shares and on all other preferred shares ranking prior to or on a parity with the Series I Preferred Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs (a) and (b), excluding all securities purchased pursuant to a SIB or NCIB as those terms are defined in the Investment Agreement.

(e) **Notice of Redemption by Corporation.**

- (i) In the case of a redemption of Series I Preferred Shares under Section 6(a), the Corporation shall send or cause to be sent to each Holder of Series I Preferred Shares a notice in writing of the intention of the Corporation to redeem the Series I Preferred Shares held by such Holder (the "**Optional Redemption Notice**") on not less than fifteen (15) days nor more than thirty (30) days after the date on which such prior written notice is given.
 - (ii) Such notice must set out the number of Series I Preferred Shares being redeemed, the Redemption Consideration and the Redemption Date.
- (f) **Cash Acceleration Event Notice; Mandatory Redemption.**
 - (i) Upon the occurrence of a Cash Acceleration Event with respect to Series I Preferred Shares, the Corporation shall within five (5) Business Days of becoming aware of the occurrence of the Acceleration Event deliver written notice thereof (an "**Acceleration Event Notice**") to the Investor; provided, however, that failure to provide an Acceleration Event Notice shall not diminish or otherwise affect the rights and remedies of the Investor hereunder.
 - (ii) At any time after the date on which a Cash Acceleration Event occurs, the Investor may require the Corporation to redeem all and not less than all of its Series I Preferred Shares by delivering written notice thereof (a "**Cash Acceleration Notice**") to the Corporation. If a Cash Acceleration Notice is delivered by the Investor pursuant to this Section 6(f)(ii), (i) the Series I Preferred Shares shall be redeemed by the Corporation, on a date fixed by the Corporation (the "**Mandatory Redemption Date**") which shall not be later than thirty (30) days after the Corporation's receipt of such Cash Acceleration Notice, at a price equal to the Redemption Consideration (the "**Mandatory Redemption Price**") and (ii) the Corporation shall pay the Mandatory Redemption Price to the Holder in cash in accordance with Section 6(h) on the Mandatory Redemption Date, unless such Cash Acceleration Notice has been rescinded prior to the Mandatory Redemption Date therefor in accordance with Section 6(g).
- (g) **Rescission of Cash Acceleration Notice; Waiver of Defaults**
 - (i) A Cash Acceleration Notice shall be irrevocable; provided, however, that the Investor may rescind and annul a Cash Acceleration Notice, and the corresponding consequences thereof, by providing written notice thereof to the Corporation not more than 5 Business Days after the Investor has delivered such Cash Acceleration Notice (and at least 5 Business Days prior to

the applicable Mandatory Redemption Date) or at such later time as is agreed by the Corporation. Any such written notice from the Investor rescinding a Cash Acceleration Notice shall be deemed an irrevocable waiver by the Investor of its right to cause the Corporation to redeem the Series I Preferred Shares as a result of the Cash Acceleration Event that is the subject of such Cash Acceleration Notice.

- (ii) The Investor may, by written notice to the Corporation, waive any default and its consequences under the Series I Preferred Shares.

(h) **Delivery of Redemption Consideration.**

- (i) On the Payment Date the Corporation will cause to be delivered to the Holders of the Series I Preferred Shares to be redeemed the Redemption Consideration for each such Series I Preferred Share, upon presentation and surrender by each Holder of the documents specified in 6(h)(ii) below.
- (ii) On or prior to the Payment Date, the Investor shall deliver or cause to be delivered to the Corporation, the following:
 - (A) a certificate signed by two senior officers of the Holder containing a representation and warranty by such Holder in favour of the Corporation that such Holder:
 - (I) is not a non-resident of Canada for purposes of the Tax Act; or
 - (II) if a partnership, is a "Canadian partnership" as defined in section 102 of the Tax Act;
 - (B) the certificates representing the Series I Preferred Shares to be exchanged for the Redemption Consideration;
 - (C) such other documents and instruments as may reasonably be required to effect a redemption of such Series I Preferred Shares under the Corporation's governing statute and regulations and these Articles; and
 - (D) such additional documents and instruments as the Corporation may reasonably require.
- (iii) Payment shall, subject to Section 11, be made by cheque payable at par at any branch of the Corporation's bankers in Canada.
- (iv) If a part only of the Series I Preferred Shares presented by any certificate shall be redeemed on an Optional Redemption, a new certificate for the balance shall be issued at the expense of the

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

(i) **Solvency Restrictions.** Notwithstanding any other provision of these Articles, the Corporation shall not redeem or purchase any Series I Preferred Shares on a Redemption Date to the extent that the redemption or purchase of all or any part of the then outstanding Series I Preferred Shares would be contrary to solvency requirements or any other provision of applicable law.

7. Notices.

Any notice, request or other communication to be given to the Corporation by a Holder of Series I Preferred Shares or to be given to a Holder of Series I Preferred Shares by or on behalf of the Corporation must be in writing and is valid if given in accordance with the Investment Agreement.

8. Certain Restrictions and Covenants.

(a) **Restrictions.** If, and only to the extent that, any such transaction shall impair the Corporation's ability to redeem the Series I Preferred Shares, the Corporation shall not, without, but may at any time with, prior written consent of the holders of a majority of the then outstanding Series I Preferred Shares, issue any Series I Preferred Shares or any other shares of the Corporation ranking equally with, or superior to, the Series I Preferred Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

(b) **No Transfer.**

- (i) No Holder of Series I Preferred Shares may Transfer any Series I Preferred Shares without the prior written consent of the Corporation, which consent may be withheld in its sole discretion; provided, however, that, subject to Sections 8(b)(ii), (iii) and (iv) of these Series I Preferred Shares, (i) the Holder may Transfer Series I Preferred Shares to an Affiliate of the Investor without the consent of the Corporation, but only for so long as such Affiliate remains an Affiliate of the Investor (a "**Permitted Transferee**") and (ii) a Holder may grant a security interest on Series I Preferred Shares in favour of one or more Canadian Financial Institutions to secure indebtedness for borrowed money owed by the Holder to such Canadian Financial Institutions under a bona fide credit facility (a "**Financing Facility**"), which indebtedness (x) is an aggregate principal amount (taken together with all other indebtedness incurred by all other holders of Securities under such Financing Facility or any other "Financing Facility" (as defined in the applicable Securities)) not in excess of C\$325,000,000 and (y) is incurred following the date hereof in order to finance any of the Initial Purchase Price and/or Second Purchase Price (a "**Permitted Pledge**"). At any time that there is a Permitted Pledge, the applicable Holder shall (and shall cause each of its Affiliates that is an obligor, or otherwise the subject of any covenants, under a Financing Facility to) use commercially reasonable efforts to comply with the terms and conditions of, and not be in default of its payment or other obligations under, the applicable Financing Facility.

- (ii) If a Holder of Series I Preferred Shares ceases to be an Affiliate of the Investor, such Holder shall immediately Transfer its Series I Preferred Shares back to the Investor or an Affiliate of the Investor, and for so long as the Holder is in breach of this Section 8(b)(ii), all of the Holder's rights under these Series I Preferred Shares shall be suspended and the Corporation shall have no obligation to make any payments to the Holder.
- (iii) As a condition to any Transfer of Series I Preferred Shares, the Corporation may, among other things, require the transferor to (i) pay the Corporation an amount to reimburse the Corporation for any transfer taxes, similar governmental charges or other fees required to be paid by the Corporation in connection with such Transfer, (ii) furnish the Corporation with due endorsements by, or a written instrument of transfer in form satisfactory to the Corporation duly executed by, the transferor, (iii) provide the name, addresses and other details for payment of the Permitted Transferees and (iv) provide the Corporation with evidence, including, if the Corporation requires, one or more legal opinions, satisfactory to the Corporation confirming that the applicable Transfer complies with applicable securities laws, including Securities Laws.
- (iv) Any purported Transfer in violation of this Section 8(b) shall be invalid and void and shall not be registered in the share registers of the Corporation or otherwise recognized for any purpose.

(c) Each Holder of Series I Preferred Shares acknowledges and agrees that the Investor shall be the sole representative of such Holder for all purposes of the Series I Preferred Shares, and the Corporation shall be entitled to deal with the Investor as the sole representative of such Holder and only the Investor shall have the power and authority to exercise all of the rights and powers granted by the Corporation to the Investor pursuant to Series I Preferred Shares, the Investment Agreement and the Exchange and Option Agreement. All actions taken by the Investor in connection with Series I Preferred Shares shall apply to and be effective and binding upon the Holder (including any subsequent Permitted Transferee) as if taken by the Holder directly. Except as expressly provided for herein, (i) the Corporation shall not be obligated to deal with the Holder (including any Permitted Transferees) in respect of any action taken or to be taken with respect to this Debenture and (ii) all notices that the Corporation is required to provide in respect of any such actions or otherwise in connection with Series I Preferred Shares may be satisfied in all cases by providing such notice to the Investor.

(d) **Issue of Additional Preferred Shares.** No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series I Preferred Shares without the prior approval of the holders of the Series I Preferred Shares given as specified in Section 2(b), nor shall the number of Series I Preferred Shares be increased without such approval; provided, however, that

nothing in this Section 8(c) shall prevent the Corporation from creating additional series of First Preferred Shares and, if all dividends then payable on the Series I Preferred Shares shall have been paid or set apart for payment, from issuing additional series of First Preferred Shares without such approval.

9. Certificated Shares.

- (a) **Form and Dating.** Series I Preferred Shares shall be in certificated form ("Certificated Series I Preferred Shares"). Each Series I Preferred Share certificate shall be dated the date of its execution.
- (b) **Execution.** Two officers shall sign each Series I Preferred Share certificate for the Corporation by manual or facsimile signature.
- (c) **Transfer and Exchange.** When a Certificated Series I Preferred Share is presented to the Corporation with a request to register the Transfer of such Certificated Series I Preferred Share or to exchange such Certificated Series I Preferred Share for an equal number of shares of Certificated Series I Preferred Shares evidenced by more than one certificate, the Corporation shall register the Transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Certificated Series I Preferred Shares surrendered for Transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Corporation, duly executed by the holder thereof or its attorney duly authorized in writing.
- (d) **Legends.** Each certificate evidencing Certificated Series I Preferred Shares shall bear legends in substantially the following form:

THIS SECURITY IS SUBJECT TO THE PROVISIONS OF THE INVESTMENT AGREEMENT DATED AS OF MARCH 22, 2019 BETWEEN THE CORPORATION AND [EAGLE HYDRO II LP] AND THE EXCHANGE AND OPTION AGREEMENT DATED AS OF MAY 1, 2019 BETWEEN THE CORPORATION AND [EAGLE HYDRO II LP], WHICH AGREEMENTS CONTAIN AMONG OTHER THINGS, RESTRICTIONS ON THE RIGHT TO TRANSFER, PLEDGE OR OTHERWISE DEAL WITH THIS SECURITY. NOTICE OF SUCH RESTRICTIONS AND THE OTHER PROVISIONS OF SUCH AGREEMENTS IS HEREBY GIVEN.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DISTRIBUTION DATE].

- (e) **Replacement Certificates.** If any of the Series I Preferred Shares certificates shall become mutilated, lost, stolen or destroyed, the Corporation shall issue, in exchange and in substitution for and upon cancellation of the mutilated Series I Preferred Shares certificate, or in lieu of and substitution for the Series I Preferred Shares certificate lost, stolen or destroyed, a new Series I Preferred Share certificate of like tenor and representing an equivalent amount of shares of Series I Preferred Shares, but only upon receipt of evidence of such loss, theft or destruction of such Series I Preferred Shares certificate and indemnity, if requested, satisfactory to the Corporation.
- (f) **Cancellation.** In the event the Corporation shall purchase or otherwise acquire Certificated Series I Preferred Shares, the same shall thereupon be delivered to the Corporation for cancellation. The Corporation and no one else shall cancel and destroy all Series I Preferred Shares certificates surrendered for transfer, exchange, replacement or cancellation. The Corporation may not issue new Series I Preferred Shares certificates to replace Series I Preferred Shares certificates to the extent they evidence Series I Preferred Shares which the Corporation has purchased or otherwise acquired.

10. Tax Matters.

(a) **Specified Amount for Tax Purposes.** The amount specified in respect of each Series I Preferred Share for the purposes of subsection 191 (4) of the Tax Act shall be an amount equal to \$1,000.

(b) **Tax Status.** Unless the Series I Preferred Shares are "short-term preferred shares" for purposes of the Tax Act, the Corporation will elect to pay tax under Part VI.1 of the Tax Act at such a rate that no tax under Part IV.1 of the Tax Act will be payable by Holders of the Series I Preferred Shares.

(c) **Withholding Rights.** The Corporation, shall be entitled to deduct or withhold from any dividend or other amount otherwise payable to any Holder of Series I Preferred Shares such amounts as the Corporation, is required or permitted (to the extent that absent such permitted deduction or withholding, the payor would be liable for taxes, interest and/or penalties in connection with the payment) to deduct or withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Holder of the Series I Preferred Shares in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority and reasonable documentation respecting such payment is provided to the Holder of the Series I Preferred Shares. To the extent that the amount so required or permitted to be deducted or withheld from any payment to a Holder exceeds the cash portion of the consideration otherwise payable to the Holder, subject to the right of the Holder of

Series I Preferred Shares as provided for below to provide such additional cash as is necessary to satisfy the tax obligations set out above, the Corporation is hereby authorized to sell or otherwise dispose of or to retain such portion of the non-cash consideration as is necessary in an amount equal to the amount the Corporation requires to comply with such deduction or withholding requirement and the Corporation shall notify the Holder thereof and, if a sale is elected, remit to the Holder any portion of the net proceeds of such sale not required to be remitted to a taxing authority. All payments to be made hereunder shall be made without interest. Notwithstanding anything to the contrary herein and if commercially reasonable, prior to selling or retaining any non-cash consideration to satisfy tax obligations as provided for above, the Corporation, as applicable, shall notify the holder of Series I Preferred Shares that it shall be making the deductions or withholdings noted above and such Holder shall have the option to provide cash to the Corporation in an amount equal to the amounts to be withheld or deducted within three Business Days of delivery of the notice, in which case the Corporation, shall not sell or retain any non-cash consideration until such three (3) Business Day period had passed.

11. General.

(a) **Wire or Electronic Transfer of Funds.** Notwithstanding any other right, privilege, restriction or condition attaching to the Series I Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series I Preferred Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire transfer or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series I Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series I Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series I Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special non-interest bearing account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

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Schedule "B"
TransAlta Corporation

7. Higher Shareholder Vote for Certain Specified Transactions

The following provisions shall form part of the rights, privileges, restrictions and conditions attaching to the Common Shares as a class, the First Preferred Shares as a class and the Second Preferred Shares as a class:

7.1 Higher Vote for Specified Transactions. Subject to subsections 7.5 and 7.6, in addition to any affirmative vote required by law or by these Articles, a resolution passed by the affirmative vote of a Majority of the Non-Interested Shareholders and of a majority of the votes cast by holders of Voting Shares shall be required in respect of:

- (A) any merger, amalgamation or consolidation of the Corporation or any Subsidiary of the Corporation with (i) a Major Shareholder or (ii) any other corporation (whether or not itself a Major Shareholder) which is, or after such merger, amalgamation or consolidation would as a result be, an Affiliate or Associate of a Major Shareholder;
- (B) the furnishing by the Corporation or any Subsidiary of the Corporation to a Major Shareholder or an Affiliate or Associate of a Major Shareholder of financial assistance in connection with any existing, contingent or future liability or obligation of the Major Shareholder or an Affiliate or Associate of the Major Shareholder or in connection with the creation, issue, redemption, purchase or cancellation of any securities of the Major Shareholder or of an Affiliate or Associate of the Major Shareholder;
- (C) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) in any period of 12 consecutive months to or with a Major Shareholder or an Affiliate or Associate of a Major Shareholder of any assets, products or services of the Corporation or any Subsidiary of the Corporation, having an aggregate Fair Market Value (determined on a cumulative basis) of 5% or more of Common Shareholders' Equity;
- (D) the purchase, lease or other acquisition (in one transaction or a series of transactions) in any period of 12 consecutive months by the Corporation or any Subsidiary of the Corporation from a Major Shareholder or an Affiliate or Associate of a Major Shareholder of assets, products or services having an aggregate Fair Market Value (determined on a cumulative basis) of 5% or more of Common Shareholders' Equity;
- (E) the issue or transfer by the Corporation or any Subsidiary of the Corporation of any securities, or of rights, options or warrants to acquire any securities, of the Corporation or any Subsidiary of the Corporation (in one transaction or a series of transactions) in any period of 36

consecutive months to a Major Shareholder or an Affiliate or Associate of a Major Shareholder where the securities which are the subject of the transaction have an aggregate Fair Market Value (determined on a cumulative basis) of 5% or more of the Common Shareholders' Equity unless the issue or transfer does not, or upon the exercise of such rights, options or warrants will not, directly or indirectly, increase the proportionate share owned by a Major Shareholder or an Affiliate or Associate of a Major Shareholder of the outstanding shares of any class of shares carrying voting rights or any securities convertible into shares carrying voting rights of the Corporation, a Subsidiary of the Corporation or any successor of the Corporation or any Subsidiary of the Corporation;

- (F) any reclassification of securities (including any subdivision or consolidation), capital reorganization or recapitalization of the Corporation or any Subsidiary of the Corporation, or any merger, amalgamation, arrangement or consolidation of the Corporation with any Subsidiary of the Corporation or any other body corporate or any other transaction (whether or not with or into or otherwise involving any Major Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share directly or indirectly owned by a Major Shareholder or an Affiliate or Associate of a Major Shareholder of the outstanding shares of any class of shares carrying voting rights or any securities convertible into shares of any class of shares carrying voting rights of the Corporation-, any Subsidiary of the Corporation or any successor of the Corporation or any Subsidiary of the Corporation;
- (G) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed at any time that there is a Major Shareholder;
- (H) (i) the creation of a class or series of shares, either by amendment of the Articles of Amalgamation of the Corporation, as amended, or by a resolution of the board of directors of the Corporation establishing the rights, privileges, restrictions and conditions attaching to a series of a previously authorized class of shares, as the case may be, which are Non-Voting Equity Shares or which would have the effect of making another class or series of securities Non-Voting Equity Shares; or

(ii) a reorganization, arrangement, amalgamation or other form of business combination the effect of which is that any outstanding shares become Non-Voting Equity Shares; or
- (I) any agreement, contract or other arrangement providing for any one or more of the actions specified in clauses (A) through (H) of this subsection 7 .1.

Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser vote may be otherwise specified, by law or

by any other provision of the Articles of Amalgamation of the Corporation, as amended.

7.2 Certain Definitions. For the purposes of this Section 7:

- (A) "Affiliate": a company shall be deemed to be an Affiliate of another company if one of them is the Subsidiary of the other or if both are Subsidiaries of the same company or if each of them is controlled by the same person or company.
- (B) "Associate" when used to indicate a relationship with any person means
 - (i) a body corporate of which that person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than twenty percent (20%) of the voting rights exercisable in the election of directors under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase such shares or such convertible securities;
 - (ii) a partner of that person;
 - (iii) a trust or estate in which that person has a substantial beneficial interest or in respect of which he serves as a trustee or in a similar capacity;
 - (iv) a spouse of that person or any person of the opposite sex with whom that person is living in a conjugal relationship outside marriage or a child of that person; and
 - (v) a relative of a person mentioned in sub-clause (iv) if the relative has the same residence as that person
- (C) "Beneficial Owner" means a person who has beneficial ownership of a security and includes a person who has beneficial ownership within the meaning of the CBCA and, in addition to but without limiting the foregoing, a person shall be considered a beneficial owner of any security (whether or not owned of record):
 - (i) with respect to which such person or any Affiliate or Associate of such person, directly or indirectly, has or shares voting power, including the power to vote or direct the voting of such security, or investment power, including the power to dispose of or to direct the disposition of such security;
 - (ii) if such person or any Affiliate or Associate of such person has the right to acquire such security (whether such right is

exercisable immediately or after the passage of time or otherwise and whether such security shall then be issued or unissued) pursuant to any agreement, arrangement or understanding, written or oral, or upon the exercise of any conversion right, exchange right, purchase right, warrant or option or otherwise or the right to vote or direct the voting of such security pursuant to any agreement, arrangement or understanding, written or oral (whether such right is exercisable immediately or after the passage of time or otherwise); or

- (iii) which is beneficially owned within the meaning of sub-clauses (i) or (ii) by any other person with which such first-mentioned person, or any Associate or Affiliate of such person, has any agreement, arrangement or understanding, written or oral, with respect to acquiring, holding, voting or disposing of any securities of the issuer of such security or acquiring; holding or disposing of all or substantially all of the property of such issuer;

and the terms "Beneficially Owned" and "Beneficial Ownership" shall have corresponding meanings.

For the purpose only of determining whether a person is the Beneficial Owner of a specified percentage of the outstanding Voting Shares, the number of outstanding Voting Shares shall be deemed to include any unissued Voting Shares which may be issuable pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, purchase rights, warrants, options or otherwise (whether or not the same are then capable of being exercised) and which are deemed to be Beneficially Owned by such person pursuant to the provisions of clause (C) of this subsection 7.2.

A person shall be deemed to be the Beneficial Owner of securities Beneficially Owned by a corporation controlled by such person or by an Affiliate of such corporation.

- (D) "CBCA" means the Canada Business Corporations Act, as amended, as in force and effect on the 'date of the Articles of Amalgamation of which these provisions form apart.
- (E) (E)"Common Shareholders' Equity" means the total amount of common shareholders' equity of the Corporation, determined in accordance with generally accepted accounting principles, including, without limitation:
 - (i) the stated capital of all Equity Shares of the Corporation;
 - (ii) reinvested earnings; and
 - (iii) contributed surplus;

as shown on the most recent audited consolidated financial statements of the Corporation.

- (F) "controlled": a body corporate shall be deemed to be "controlled" by another person or two or more persons if:
 - (i) securities entitled to vote in the election of directors carrying more than 50% of the votes for the election of directors are held by or for the benefit of the other person or persons; and
 - (ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such corporation.

- (G) "Equity Shares" means shares of the Corporation that carry a residual right to participate to an unlimited degree in earnings of the Corporation and in its assets upon liquidation or winding up.

- (H) "Fair Market Value" means (i) in the case of shares, the highest closing sale price during the 30 day period immediately preceding the date in question of such shares on The Toronto Stock Exchange, or, if such shares are not listed on such Exchange, on the principal securities exchange on which such shares are listed as determined by the directors in their sole discretion, or, if such shares are not listed on any such exchange, the fair market value on the date in question of such shares as determined by the board of directors in good faith; and (ii) in the case of property other than cash or shares, the fair market value of such property on the date in question as determined by the board of directors in good faith.

- (I) "financial assistance" includes, without limiting the generality of the words, the giving, granting or issuing of any loan, guarantee, indemnity or security, or the giving, granting or issuing of any undertaking or covenant involving the expenditure of funds now or in the future.

- (J) "Major Shareholder" means any person who or which:
 - (i) is the Beneficial Owner of shares representing more than 20% of the votes that may be cast by the holders of Voting Shares;
 - (ii) is a person who at any time within the two year period immediately prior to the date in question was the Beneficial Owner of shares representing more than 20% of the votes that may be cast by the holders of Voting Shares; or

- (iii) will be a Major Shareholder upon the completion of a Specified Transaction.
- (K) "Majority of the Non-Interested Shareholders" means a majority of votes cast by holders of Voting Shares voting on the resolution in question, excluding the votes attached to all Voting Shares Beneficially Owned by the Major Shareholder involved in the Specified Transaction in question or, in the case of a vote on a matter referred to in clause (H) of subsection 7 .1, excluding the votes attached to all Voting Shares Beneficially Owned by any Major Shareholder.
- (L) "Non-Interested Shareholder" means a holder of Voting Shares of the Corporation, other than a Major Shareholder.
- (M) "Non-Voting Equity Shares" means Equity Shares
 - (i) which are not Voting Shares;
 - (ii) to which are attached voting rights that are less, on a per share basis, than the voting rights attaching to any other shares of an outstanding class or series of shares of the Corporation; or
 - (iii) that carry a vote subject to some limit or restriction on the number or percentage of shares that may be voted by a person or group of persons.
- (N) "person" includes any individual, partnership, firm, body corporate, association, trust, trustee, executor, administrator, legal representative, unincorporated organization or other entity or group.
- (O) "product" means real and personal property of every description manufactured, supplied, furnished or produced including, without limitation, energy, however produced or supplied.
- (P) "series of transactions" includes not only a series of transactions with the same Major Shareholder but also a series of separate transactions with a Major Shareholder or any Affiliate or Associate of such Major Shareholder or any combination of them.
- (Q) "service" means a service of any description, including, without limitation, an industrial, trade, financial or professional service.
- (R) "Specified Transaction" means any transaction which is referred to in any one or more of clauses (A) through (I) of subsection 7.1.
- (S) "Subsidiary": a company shall be deemed to be Subsidiary of another company if

- (i) it is controlled by
 - (a) that other, or
 - (b) that other and one or more companies each of which is controlled by that other, or
 - (c) two or more companies each of which is controlled by that other, or
 - (ii) it is a subsidiary of a company that is that other's subsidiary.
- (T) "take-over bid" means an offer to purchase, directly or indirectly; Equity Shares that is made to holders of Equity Shares by take-over bid circular pursuant to applicable securities legislation or by stock exchange take-over bid through the facilities of a stock exchange recognized by applicable Canadian and provincial laws for such purpose and made in accordance with the rules of the exchange.
- (U) "Voting Shares" means the outstanding shares of the Corporation entitled to vote generally in the election of directors under all circumstances or by reason of the occurrence of an event that has occurred and is continuing.
- (V) "class of Voting Shares" shall include a series of a class of Voting Shares.

7.3 No Effect on Obligations. Nothing contained in this Section 7 shall be construed to relieve any Major Shareholder from any obligation, liability or responsibility imposed by law.

7.4 Amendment or Repeal. In addition to any other approval required by law, a resolution passed by the affirmative vote of a Majority of the Non-Interested Shareholders and a majority of the votes cast by holders of Voting Shares shall be required to amend, alter or repeal, or adopt any provision or provisions inconsistent with any provision or provisions of this Section 7.

7.5 Non-Application. The provisions of clauses (A) to (G) of subsection 7.1, and clause (I) of subsection 7.1 as it applies to clauses (A) to (G) of subsection 7.1, do not apply where:

- (A) the Major Shareholder is a person, or an assignee of or successor to a person, who, in order to become the Beneficial Owner of more than 20% of the Voting shares, made a single take-over bid for all the Equity Shares not Beneficially Owned by such person and as a consequence of the take-over bid acquired Beneficial Ownership of 66-2/3% or more of the Equity Shares not already Beneficially Owned by such person; or

- (B) the Major Shareholder is the Beneficial Owner of more than 85% of the Equity Shares.

7.6 Certain Exemptions. The provisions of clauses (A), (B), (C) and (D) of subsection 7 .1 shall not apply where the Specified Transaction is solely between or among the Corporation and one or more Subsidiaries or Associates of the Corporation or of a Subsidiary of the Corporation, where the relationship of Subsidiary or Associate arises through the direct beneficial ownership or control by the Corporation or a Subsidiary of the Corporation of shares or securities of the Subsidiary or Associate and not by way of deemed beneficial ownership or control.

7.7 Severability. If any provision contained in this Section 7 is determined to be invalid in whole or in part, it shall not be deemed to affect or impair the validity of any other provision contained in this section.



Form 2
**Initial Registered Office Address
and First Board of Directors**

*Canada Business Corporations Act
(CBCA) (s. 19 and 106)*

Formulaire 2
**Siège social initial et premier
conseil d'administration**

*Loi canadienne sur les sociétés par
actions (LCSA) (art. 19 et 106)*

1 Corporate name
Dénomination sociale

TransAlta Corporation

2 Address of registered office
Adresse du siège social

110 12 Avenue SW
Calgary AB T2R 0G7

3 Additional address
Autre adresse

4 Members of the board of directors
Membres du conseil d'administration

See attached schedule / Voir l'annexe ci-jointe

5 Declaration: I certify that I have relevant knowledge and that I am authorized to sign this form.
Déclaration : J'atteste que je possède une connaissance suffisante et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par
Scott Jeffers

Scott Jeffers
403-267-2014

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Schedule / Annexe

Members of the board of directors / Membres du conseil d'administration

Resident Canadian
Résident Canadien

James Reid	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Bryan Pinney	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Rona Ambrose	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Sandra Sharman	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Manjit Sharma	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Alan Fohrer	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	No / Non
Thomas O'Flynn	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	No / Non
Candace MacGibbon	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
John Dielwart	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Sarah Slusser	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	No / Non
Harry Goldgut	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
John Kousinioris	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	Yes / Oui
Laura Folse	110 - 12th Ave SW, Calgary AB T2R 0G7, Canada	No / Non