



Ministry of Government Services / Ministère des Services gouvernementaux
Ontario CERTIFICATE
This is to certify that these articles are effective on
Ministère des Services gouvernementaux / **CERTIFICAT**
Ceci certifie que les présents statuts entrent en vigueur le

1908978

JANUARY 01 JANVIER, 2014

[Signature]
Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

17

Form 4
Business Corporations Act

Formule 4
Loi sur les sociétés par actions

**ARTICLES OF AMALGAMATION
STATUTS DE FUSION**

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

E	-	L		F	I	N	A	N	C	I	A	L		C	O	R	P	O	R	A	T	I	O	N		L	I	M	I
T	E	D																											

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

165 University Avenue, 10th Floor

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

Toronto

ONTARIO

M 5 H 3 B 8

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

Postal Code/Code postal

3. Number of directors is: Fixed number OR minimum and maximum 3 12
Nombre d'administrateurs : Nombre fixe OU minimum et maximum 3 12

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

First name, middle names and surname
Prénom, autres prénoms et nom de famille

Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code
Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal

Resident Canadian State 'Yes' or 'No'
Résident canadien Oui/Non

as set out on page 1A

**E-L FINANCIAL CORPORATION LIMITED
ARTICLES OF AMALGAMATION**

4. The directors are:

Name	Address for Service	Resident Canadian
J. Christopher Barron	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
James F. Billett	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
William J. Corcoran	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
Duncan N.R. Jackman	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
The Hon. Henry N.R. Jackman	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
Robert B. Matthews	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
Mark M. Taylor	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes
Douglas C. Townsend	165 University Avenue, 10 th Floor Toronto, Ontario M5H 3B8	Yes

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

A - Amalgamation Agreement / Convention de fusion :

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

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

or
ou

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

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

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

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

E-L Financial Corporation Limited

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

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
E-L Financial Corporation Limited	217143	2013	12	02
1865164 Ontario Limited	1865164	2013	12	02
2351406 Ontario Inc.	2351406	2013	12	02

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

None

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

5,000,000 Preference Shares issuable in series; the first series of Preference Shares consists of 606,180 shares designated as Series A Convertible Preference Shares; and the second series of Preference Shares consists of 4,000,000 shares designated as Series B Preference Shares.

An unlimited number of First Preference Shares issuable in series; the first series of First Preference Shares consists of 4,000,000 shares designated as First Preference Shares, Series 1; the second series of First Preference Shares consists of 4,000,000 shares designated as First Preference Shares, Series 2; and the third series of First Preference Shares consists of 4,000,000 shares designated as First Preference Shares, Series 3.

An unlimited number of Common Shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

as set out on pages 4A-4LL

**E-L FINANCIAL CORPORATION LIMITED
ARTICLES OF AMALGAMATION**

8. Rights, privileges, restrictions and conditions attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Interpretation

1. Definitions

The following words and phrases whenever used shall have the following meanings unless the context indicates otherwise:

- (a) "Act" means the Business Corporations Act (Ontario), as amended.
- (b) "Automatic Conversion" means the automatic conversion of one Series B Preference Share of the Company into one First Preference Share, Series 1 of the Company upon the approval and creation of the First Preference Shares, Series 1 on or before November 30, 2004 and the issuance of a certificate of amendment in respect thereof pursuant to and in accordance with the Act.
- (c) "Business Day" means a day which is not a Saturday, Sunday or statutory holiday in Ontario.
- (d) "Common Shares" means the common shares of the Company.
- (e) "Depository" means CDS Clearing and Depository Services Inc.
- (f) "Dividend Payment Dates" means the 17th day of April, July, October and January in each year.
- (g) "First Preference Shares, Series 1" means the first series of First Preference Shares of the Company.
- (h) "First Preference Shares, Series 2" means the second series of First Preference Shares of the Company.
- (i) "First Preference Shares, Series 3" means the third series of First Preference Shares of the Company.
- (j) "Preference Shares" means the class of original preference shares of the Company comprised of Series A Convertible Preference Shares and Series B Preference Shares, and such other series of the class as may be issued at any time or from time to time.
- (k) "Series A Convertible Preference Shares" means the first series of Preference Shares of the Company.
- (l) "Series B Preference Shares" means the second series of Preference Shares of the Company.
- (m) "Series B Closing Date" means September 28, 2004, being the date on which the Series B Preference Shares were issued by the Company as fully paid and non-assessable shares.
- (n) "Series 1 Closing Date" means September 28, 2004, being the date on which the Series B Preference Shares were issued by the Company as fully paid and non-assessable shares.

(o) "Series 2 Closing Date" means October 17, 2006, being the date on which the First Preference Shares, Series 2 were issued by the Company as fully paid and non-assessable shares.

(p) "Series 3 Closing Date" means April 12, 2012, being the date on which the First Preference Shares, Series 3 were issued by the Company as fully paid and non-assessable shares.

2. Non-Business Day

If any day on which or by which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or by the next succeeding day that is a Business Day.

3. Herein, Hereto, etc.

The words "herein", "hereto", "hereof" and similar words refer, unless the context clearly indicates the contrary, to the whole of these share provisions and not to any particular article, section, subsection, clause or paragraph thereof.

4. Number and Gender

Words importing the singular number only shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms, corporations and other entities and vice versa.

Preference Shares

1. Directors' Right to Issue in One or More Series

The Preference Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may before the issue thereof be determined by the directors; the directors of the Company may (subject as hereinafter provided) by resolution fix from time to time before the issue thereof the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of each series including, without limiting the generality of the foregoing, preferential dividend rights, their cumulative or non-cumulative character, the dates of payment thereof, conversion rights (if any), voting rights and any other provisions, the whole subject to the issue of Articles of Amendment setting forth the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of such series.

2. Ranking of the Preference Shares

The Preference Shares of each series shall be entitled to preference over the Common Shares of the Company and any other shares ranking junior to the Preference Shares with respect to payment of preferential dividends.

3. Dividends

Where any dividends are not paid in full, the shares of all series of the Preference Shares shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full.

4. Approval of Holders of the Preference Shares

The approval of the holders of the Preference Shares to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Preference Shares as a class or to create preference shares ranking in priority to or on a parity with the Preference Shares may be given by at least $\frac{2}{3}$ of the votes cast at a meeting of the holders of the Preference Shares duly called for that purpose; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders.

The holders of the Preference Shares shall not be entitled to vote separately as a class or dissent:

- (a) with respect to a proposal to amend the Articles of the Company to create a new class to rank equal or superior to the Preference Shares as a class, unless the proposed shares of the proposed class would carry voting rights superior to those attached to the Preference Shares; or
- (b) with respect to a proposal to increase or decrease the maximum number of Preference Shares.

Series A Convertible Preference Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Preference Shares as a class, shall have attached thereto the following:

1. Ranking of the Series A Convertible Preference Shares

The holders of the Series A Convertible Preference Shares in priority to the Common Shares and any other shares ranking junior to the Series A Convertible Preference Shares shall be entitled to receive when, as and if declared by the board of directors of the Company out of the net profits or surplus of the Company properly applicable to the payment of dividends a fixed preferential non-cumulative dividend of fifty cents (50¢) per share per annum; if within four months from the expiration of any fiscal year of the Company the board of directors of the Company in its discretion shall not declare the said dividend or any part thereof on the Series A Convertible Preference Shares for such fiscal year, then the rights of the holders of the Series A Convertible Preference Shares to such dividend or to any undeclared part thereof for such fiscal year shall be

forever extinguished; the holders of the Series A Convertible Preference Shares shall not be entitled to any dividend other than or in excess of the fixed preferential non-cumulative dividend hereinbefore provided for; no dividend shall be declared or paid upon or set aside for the Common Shares or any other shares ranking junior to the Series A Convertible Preference Shares in any fiscal year unless and until the fixed preferential non-cumulative dividend hereinbefore provided for in respect of that fiscal year on the Series A Convertible Preference Shares shall have been declared and paid or set aside for payment.

2. Rights on Dissolution

In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among the shareholders for the purpose of winding up its affairs each holder of a Series A Convertible Preference Share and each holder of a Common Share shall be entitled to participate equally therein without distinction as to class.

3. Voting Rights

The holders of the Series A Convertible Preference Shares shall be entitled to one vote for each Series A Convertible Preference Shares held by them respectively at all meetings of the shareholders of the Company.

4. Conversion at the Option of the Shareholder

The holder of Series A Convertible Preference Shares shall be entitled to have all or any of the Series A Convertible Preference Shares held by him converted into Common Shares of the Company on the basis of one Common Share for each Series A Convertible Preference Share which such holder may desire to convert; a holder of Series A Convertible Preference Shares desiring to convert all or some of such shares into Common Shares in accordance with the foregoing shall surrender the certificate or certificates representing his Series A Convertible Preference Shares so to be converted to the transfer agent for the time being of the Series A Convertible Preference Shares at its principal office in the City of Toronto, in the County of York and Province of Ontario, together with a request in writing for such conversion with his signature thereon verified as the directors of the Company may from time to time require; if the Series A Convertible Preference Shares or the Common Shares shall, prior to the exercise by the holder of any Series A Convertible Preference Shares of his aforesaid conversion right, be subdivided or consolidated, the number of Common Shares into which such holder may thereafter convert his Series A Convertible Preference Shares shall be appropriately adjusted; if any such adjustment involves a fraction of a Common Share no fractional share will be issued but the Company shall issue in lieu thereof non-voting and non-dividend bearing fractional certificates in a form approved by the board of directors of the Company; if the Company proposes at any time to pay any dividend on its Common Shares payable in whole or in part in shares of the Company or if the Company proposes at any time to issue subscription warrants or other rights to all the

holders of its Common Shares to subscribe for shares of the Company, the Company shall so notify each registered holder of Series A Convertible Preference Shares by written notice sent by ordinary prepaid mail to the last address of such holder shown on the books of the Company at least ten days prior to the date fixed by the Company as the record date for payment of such dividend or for the issue of such subscription warrants or other rights to subscribe for shares of the Company.

5. Approval of Holders of Series A Convertible Preference Shares

No application for the issue of Articles of Amendment to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Series A Convertible Preference Shares and not to the Preference Shares as a class shall be made by the Company until such application has been authorized by at least $\frac{2}{3}$ of the votes cast at a meeting of the holders of the Series A Convertible Preference Shares duly called for that purpose; the formalities to be observed in respect of the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders.

Series B Preference Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Preference Shares as a class, shall have attached thereto the following:

1. Consideration for Issue

The consideration for the issue of each Series B Preference Share shall be \$25.00.

2. Dividends

2.1 Declaration and Payment

The holders of the Series B Preference Shares shall be entitled to receive, and the Company shall pay thereon, if, as and when declared by the board of directors of the Company, subject to applicable law, fixed non-cumulative preferential cash dividends at a rate equal to \$1.325 per share *per annum*. Subject to the provisions of this Section 2.1, the initial dividend payable on Series B Preference Shares, if declared by the board of directors, will be payable on January 17, 2005 (the "Initial Series B Dividend Payment Date") and will be in the amount *per* Series B Preference Share (the "Initial Series B Dividend Payment") obtained by multiplying \$1.325 by the number of days from, but excluding, the Series B Closing Date to and including January 17, 2005 and dividing the result by 365. Thereafter, any dividends on the Series B Preference Shares, if declared by the board of directors, will be payable quarterly on the Dividend Payment Dates at a rate of \$0.33125 per share. Notwithstanding the foregoing, if the Series B Preference Shares are converted into First Preference Shares, Series 1, pursuant to and in accordance with Section 4.1 hereof, the holders of Series B Preference Shares will not be entitled to the Initial Series B Dividend Payment and

from and after the Automatic Series B Conversion Date, their sole entitlement to dividends shall be as holders of the First Preference Shares, Series 1.

The holders of the Series B Preference Shares will not be entitled to any dividends other than, or in addition to, the non-cumulative preferential cash dividends described in the preceding paragraph of this Section 2.1. If the board of directors of the Company, in its sole discretion, does not declare and pay any non-cumulative preferential cash dividend, or any part thereof, on the Series B Preference Shares on or before any Dividend Payment Date (including the Initial Series B Dividend Payment Date), the right of the holders of the Series B Preference Shares to receive such dividend, or part thereof, shall be extinguished.

2.2 Method of Payment

Cheques payable in lawful money of Canada at any branch in Canada of the Company's bankers shall be issued in respect of any dividends on the Series B Preference Shares (less any tax required to be withheld by the Company), provided that the Company and any particular holder of Series B Preference Shares may agree on some other means for payment of dividends to such holder. Dividends on the Series B Preference Shares shall be paid as hereinafter provided to the holders of Series B Preference Shares appearing on the Company's register of such holders at the close of business on the record date for the payment of such dividends fixed by the directors of the Company in accordance with the Act. The mailing by the Company or the transfer agent for the Series B Preference Shares, by prepaid first class mail, on or before the Initial Series B Dividend Payment Date or any Dividend Payment Date of a cheque to a holder of Series B Preference Shares, or in the case of joint holders to the joint holder whose name appears first on the Company's register of holders of Series B Preference Shares, shall be deemed to be payment of the dividends represented thereby and payable on the Initial Series B Dividend Payment Date or any Dividend Payment Date, as the case may be, unless the cheque is not paid upon presentation. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Company's bankers for payment or which otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Company.

3. Rights on Dissolution

3.1 Entitlement on Dissolution

On any distribution of assets of the Company in the event of the liquidation, dissolution, winding up or other distribution of assets of the Company, whether voluntary or involuntary, for the purpose of winding up its affairs, holders of the Series B Preference Shares shall be entitled to receive the sum of \$25.00 per share together with any declared, but unpaid, dividends thereon. Upon payment of such amount, the holders of Series B Preference Shares shall not be entitled to participate further in any distribution

of assets of the Company in the event of any liquidation, dissolution or winding up of the Company, as aforesaid.

3.2 Proportionate Sharing

Subject to the prior satisfaction of the claims of all creditors of the Company and of all holders of shares of the Company ranking prior to the Series B Preference Shares with respect to the distribution of assets of the Company, the holders of Series B Preference Shares shall be entitled to share proportionately with the holders of Series A Convertible Preference Shares, Common Shares and any other shares of the Company which by their terms rank equally with the Series B Preference Shares in the distribution of the remaining assets of the Company upon the happening of an event described in Section 3.1 above.

4. Conversion

4.1 Automatic Conversion

Each Series B Preference Share shall be automatically converted, without any further action by the holder thereof, into one First Preference Share, Series 1 of the Company in the event that a certificate of amendment under the Act creating the First Preference Shares, Series 1 is issued on or before the earlier of (i) the date of any special meeting of shareholders of the Company called to approve, among other things, the creation and issuance of the First Preference Shares, Series 1 (the "Special Meeting Date") and (ii) November 30, 2004 (the "Automatic Series B Conversion Date").

4.2 Manner and Effect of Conversion

Upon the Automatic Series B Conversion Date, a global certificate representing all of the First Preference Shares, Series 1 will be delivered to the Depository and shall be held by the Depository for the benefit of the holders of Series B Preference Shares from time to time, as their interests may appear. From and after the Automatic Series B Conversion Date, the holders of Series B Preference Shares shall cease to have any rights as holders of Series B Preference Shares, including, without limitation, any rights to dividends in respect of the Series B Preference Shares, other than the right to be converted into First Preference Shares, Series 1 in accordance with Section 4.1 above.

5. Automatic Redemption

5.1 Automatic Redemption of Series B Preference Shares

In the event that a certificate of amendment under the Act creating the First Preference Shares, Series 1 has not been issued on or before November 30, 2004 (the "Automatic Redemption Date"), all, but not less than all, of the Series B Preference Shares then outstanding will, subject to Section 5.3 below, be automatically redeemed by the Company on the Automatic Redemption Date upon payment by cheque to each holder

of Series B Preference Shares of an amount equal to the total of \$25.00 plus the amount obtained by multiplying \$1.325 by the number of days from, but excluding, the Series B Closing Date to and including the Automatic Redemption Date and dividing the result by 365 (the "Automatic Series B Redemption Price").

5.2 Payment of Automatic Series B Redemption Price

Automatic Series B Redemption Price shall be made by cheque payable at par at any branch in Canada of the Company's bankers for the time being or by any other reasonable means that the Company deems desirable, and the delivery of such cheque in such amount shall be a full and complete discharge of the Company's obligation to pay the Automatic Series B Redemption Price owed to the holders of Series B Preference Shares to the extent of the sum represented thereby unless the cheque is not honoured when presented for payment. Subject to applicable law, redemption monies which are represented by a cheque which has not been presented to the Company's bankers for payment or which otherwise remain unclaimed for a period of six years from the Automatic Redemption Date shall be forfeited to the Company.

5.3 Deposit of Automatic Series B Redemption Price

At any time on or after the Automatic Redemption Date, the Company may, at its option, deposit with a bank or trust company, as a trust fund, a sum equal to the Automatic Series B Redemption Price for any or all Series B Preference Shares to be redeemed on the Automatic Redemption Date, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with irrevocable instructions and authority to the bank or trust company to pay, on or after the Automatic Redemption Date, that portion of the Automatic Series B Redemption Price payable to the holders of the Series B Preference Shares based on the number of Series B Preference Shares held by each such holder, upon surrender to such bank or trust company of the certificate or certificates representing such shares. Any interest allowed on such deposit shall belong to the Company. Subject to applicable law, any funds deposited pursuant to this Section 5.3 and unclaimed at the end of one year after the Automatic Redemption Date shall be released or repaid to the Company, after which time the holders of Series B Preference Shares who have not claimed such funds shall be entitled to receive payment of their portion of the Automatic Series B Redemption Price only from the Company.

5.4 Effect of Automatic Redemption of Series B Preference Shares

From and after the date of payment of the Automatic Series B Redemption Price pursuant to Section 5.1 above or the date of any deposit pursuant to Section 5.3 above, as the case may be, the Series B Preference Shares shall be deemed to be redeemed and shall no longer be outstanding for any purpose, and the holders thereof shall not be entitled to undeclared dividends or to participate in any distribution of the assets of the Company and shall not be entitled to exercise any of the rights of shareholders in respect thereof, except the right to receive the Automatic Series B

Redemption Price therefor, without interest, upon the presentation of the certificate or certificates representing such shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the Series B Preference Shares are outstanding, the Company shall not, without the approval of the holders of the Series B Preference Shares given in the manner prescribed in Section 10 below:

- (a) declare or pay any dividends on any shares of the Company ranking junior to or *pari passu* with the Series B Preference Shares with respect to the payment of dividends (other than stock dividends in shares ranking junior to the Series B Preference Shares with respect to the payment of dividends);
- (b) except out of the net cash proceeds of an issue of shares ranking junior to the Series B Preference Shares, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of shares ranking junior to the Series B Preference Shares with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company; or
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares ranking *pari passu* with the Series B Preference Shares with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company;

unless, in each such case, all declared and unpaid dividends in respect of the Series B Preference Shares, and all declared and unpaid dividends, or, in respect of cumulative dividends, dividends accrued, up to and including the immediately preceding date or dates for the payment of dividends thereon in respect of all other shares ranking prior to or *pari passu* with the Series B Preference Shares with respect to the payment of dividends, have been declared and paid or set aside for payment.

7. Purchase for Cancellation

Subject to applicable law, the rules of any exchange upon which the Series B Preference Shares are then listed and posted for trading and the restrictions contained in Section 6 above, the Company may at any time purchase for cancellation all or any part of the Series B Preference Shares outstanding from time to time, in the open market, by invitation for tenders addressed to all holders of Series B Preference Shares then outstanding or as otherwise determined by the board of directors, at the lowest price or prices at which in the opinion of the directors of the Company such shares are then obtainable. If, in response to an invitation for tenders under the provisions of this Section 7, more Series B Preference Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, then

the Series B Preference Shares to be purchased by the Company shall be purchased as nearly as may be *pro rata* according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices.

8. Voting Rights

Holders of the Series B Preference Shares shall be entitled to receive notice of, and to attend, all meetings of shareholders of the Company, other than meetings of holders of any other class or series of shares held separately as a class or series, and shall at any such meetings which they are entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately as a class or series, be entitled to one vote in respect of every ten Series B Preference Shares held. For greater certainty, there shall be no entitlement to vote in respect of fewer than ten Series B Preference Shares.

9. Modifications

Subject to certain matters for which the holders of Preference Shares are not entitled to vote separately as a class, as set out in Section 8 above, the rights, privileges, restrictions and conditions attaching to the Series B Preference Shares as a series may only be altered, modified or amended from time to time with such approval as may then be required by the Act, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series B Preference Shares

10.1 Approval

Except as otherwise provided herein, any approval of alterations, modifications or amendments to the rights, privileges, restrictions and conditions attaching to the Series B Preference Shares as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution signed by all the holders of Series B Preference Shares or passed by an affirmative vote of not less than $\frac{2}{3}$ of the votes cast at a meeting of the holders of Series B Preference Shares duly called for such purpose and held upon at least twenty-one days' notice at which at least two holders of the outstanding Series B Preference Shares are present in person or represented by proxy.

10.2 Conduct of Meetings

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

or any adjourned meeting of holders of Series B Preference Shares shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders or, if not so prescribed, as required by law.

11. Communications with Holders

Except as specifically provided elsewhere herein, any notice or other communication from the Company to holders of Series B Preference Shares shall be sufficiently given, sent or made if delivered or if sent in the manner prescribed by the by-laws of the Company or, if not so prescribed, as required by law.

12. Book-Entry Only System

The Series B Preference Shares shall be held only through the book-entry system of the Depository and the beneficial owner thereof shall provide instructions to the participant in the Depository through whom such beneficial owner holds Series B Preference Shares. Beneficial owners of Series B Preference Shares will not have the right to receive share certificates representing their ownership of such shares.

The Company has the option to terminate registration of the Series B Preference Shares through the book-based system of the Depository, in which event certificates for Series B Preference Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

First Preference Shares

1. Directors' Right to Issue in One or More Series

The First Preference Shares may be issued at any time or from time to time in one or more series. Except for the First Preference Shares, Series 1, before any shares of a series are issued, the board of directors of the Company shall fix the number of shares that will form such series and shall, subject to the limitations set out in the Articles, determine the designation, rights, privileges, restrictions and conditions to be attached to the First Preference Shares of such series, the whole subject to the filing with the Director (as defined in the Act) of Articles of Amendment containing a description of such series including the rights, privileges, restrictions and conditions determined by the board of directors of the Company.

2. Ranking of the First Preference Shares

The First Preference Shares of each series shall rank on a parity with the First Preference Shares of every other series with respect to the payment of dividends and the return of capital in the event of the liquidation, dissolution or winding up of the Company, and shall be entitled to a preference over the Common Shares and Preference Shares of the Company and over any other shares ranking junior to the First Preference 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 Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs. If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Company are not paid in full in respect of any series of the First Preference Shares, the First Preference Shares of all series shall participate rateably in respect of such dividends or return of capital in accordance with the sums that would be payable on such shares if all such dividends or return of capital were declared and paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the First Preference Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The First Preference Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the First Preference Shares as a class over the Common Shares and Preference Shares of the Company and over any other shares ranking junior to the First Preference Shares as may be determined in the case of such series of First Preference Shares.

3. Voting Rights

Except as hereinafter referred to or as required by law or unless provision is made in the Articles of the Company relating to any series of First Preference Shares that such series is entitled to vote, the holders of the First Preference Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

4. Amendment With Approval of Holders of the First Preference Shares

The rights, privileges, restrictions and conditions attached to the First Preference Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preference Shares given as hereinafter specified.

5. Approval of Holders of the First Preference Shares

The approval of the holders of the First Preference Shares to add to, change or remove any right, privilege, restriction or condition attaching to the First Preference Shares as a class or in respect of any other matter requiring the consent of the holders of the First Preference Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the First Preference Shares or passed by the affirmative vote of at least $\frac{2}{3}$ of the votes cast at a meeting of the holders of the First Preference Shares duly called for that purpose.

Notwithstanding the preceding paragraph in this Section 5, holders of the First Preference Shares as a class will not be entitled to vote separately as a class or dissent with respect to a proposal to amend the Articles of the Company to:

- (a) create a new class of shares ranking equal to the First Preference Shares with respect to the payment of dividends and the distribution of assets of the Company in the event of the liquidation, dissolution, winding up or other distribution of assets of the Company, unless the Company shall be in arrears on the payment of any dividends in respect of any series of First Preference Shares or any class of shares ranking in priority to the First Preference Shares with respect to the payment of dividends; or
- (b) increase or decrease the maximum number of First Preference Shares.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders or, if not so prescribed, as required by the Act as in force at the time of the meeting.

First Preference Shares, Series 1

In addition to the rights, privileges, restrictions and conditions attaching to the First Preference Shares as a class, shall have attached thereto the following:

1. Consideration for Issue

The consideration for the issue of each First Preference Share, Series 1 shall be one Series B Preference Share.

2. Dividends

2.1 Declaration and Payment

The holders of the First Preference Shares, Series 1 shall be entitled to receive, and the Company shall pay thereon, if, as and when declared by the board of directors of the Company, subject to applicable law, fixed non-cumulative preferential cash dividends at a rate equal to \$1.325 per share per annum. The initial dividend on the First Preference Shares, Series 1, if declared by the board of directors, will be payable in respect of the period from, but excluding, the Series 1 Closing Date, or, if dividends were paid on the Series B preference shares, the most recent date on which dividends were so paid, to and including January 17, 2005 (the "Initial Series 1 Dividend Payment Date"). Thereafter, dividends on the First Preference Shares, Series 1, if declared by the board of directors, will be payable quarterly on the Dividend Payment Dates at a rate of \$0.33125 per share.

The holders of the First Preference Shares, Series 1 will not be entitled to any dividends other than, or in addition to, the non-cumulative preferential cash dividends described in the preceding paragraph. If the board of directors of the Company, in its sole discretion, does not declare and pay any non-cumulative preferential cash dividend, or any part thereof, on the First Preference Shares, Series 1 on or before any Dividend Payment Date (including the Initial Series 1 Dividend Payment Date), the right of the holders of the First Preference Shares, Series 1 to receive such dividend, or part thereof, shall be extinguished.

2.2 Method of Payment

Cheques payable in lawful money of Canada at any branch in Canada of the Company's bankers shall be issued in respect of any dividends on the First Preference Shares, Series 1 (less any tax required to be withheld by the Company), provided that the Company and any particular holder of First Preference Shares, Series 1 may agree on some other means for payment of dividends to such holder. Dividends on the First Preference Shares, Series 1 shall be paid as hereinafter provided to the holders of First Preference Shares, Series 1 appearing on the Company's register of such holders at the close of business on the record date for the payment of such dividends fixed by the directors of the Company in accordance with the Act. The mailing by the Company or the transfer agent for the First Preference Shares, Series 1, by prepaid first class mail, on or before the Initial Series 1 Dividend Payment Date or any Dividend Payment Date of a cheque to a holder of First Preference Shares, Series 1, or in the case of joint holders to the joint holder whose name appears first on the Company's register of holders of First Preference Shares, Series 1, shall be deemed to be payment of the dividends represented thereby and payable on the Initial Series 1 Dividend Payment Date or any Dividend Payment Date unless the cheque is not paid upon presentation. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Company.

3. Rights on Dissolution

3.1 Entitlement on Dissolution

On any distribution of assets of the Company in the event of the liquidation, dissolution, winding up or other distribution of assets of the Company, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Company and of the holders of shares of the Company ranking in priority to the First Preference Shares with respect to the distribution of assets, for the purpose of winding up its affairs, the holders of the First Preference Shares, Series 1 shall be entitled to receive the sum of \$25 per share together with any declared, but unpaid, dividends thereon, before any payment is made to the holders of the Common Shares, the Preference Shares or any other shares of the Company ranking junior to the First Preference Shares. Upon payment of such amount, the holders of the First

Preference Shares, Series 1 shall not be entitled to participate further in any distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company.

3.2 Proportionate Sharing

The holders of First Preference Shares, Series 1 shall be entitled to share proportionately with every other series of First Preference Shares, and any other shares of the Company which by their terms rank equally with the First Preference Shares, Series 1 with respect to the distribution of assets, in the distribution of the remaining assets of the Company upon the happening of an event described in Section 3.1 above.

4. Redemption

4.1 Optional Redemption

The Company may not redeem any of the First Preference Shares, Series 1 prior to October 17, 2009. On and after such date, but subject to the provisions of this Section 4, to applicable law, to the provisions of any shares of the Company ranking prior to or pari passu with the First Preference Shares, Series 1 and to the restrictions contained in Section 6 below, the Company will be entitled to redeem at any time all, or from time to time any part, of the then outstanding First Preference Shares, Series 1. Any such redemption may be made upon payment of an amount in cash for each such First Preference Share, Series 1 so redeemed equal to:

- (a) \$26.00 per share if the Series 1 Redemption Date (as defined below) is prior to October 17, 2010;
- (b) \$25.75 if the Series 1 Redemption Date is on or after October 17, 2010 and prior to October 17, 2011;
- (c) \$25.50 if the Series 1 Redemption Date is on or after October 17, 2011 and prior to October 17, 2012;
- (d) \$25.25 if the Series 1 Redemption Date is on or after October 17, 2012 and prior to October 17, 2013; and
- (e) \$25.00 if the Series 1 Redemption Date is on or after October 17, 2013,

in each case, together with all declared and unpaid dividends thereon (but, for greater certainty, excluding declared dividends with a record date prior to the Series 1 Redemption Date) less any tax required to be deducted and withheld by the Company (the "Series 1 Redemption Price").

4.2 Partial Redemption

If less than all of the outstanding First Preference Shares, Series 1 are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the board of directors of the Company in its sole discretion determines. In the event that the Company terminates registration of the First Preference Shares, Series 1 through the book-based system of the Depository and a part only of the First Preference Shares, Series 1 represented by any certificate is to be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Company upon presentation and surrender of the first mentioned certificate.

4.3 Notice of Redemption

The Company shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place (the "Series 1 Redemption Date") of its intention to redeem such First Preference Shares, Series 1 to each person who at the date of giving such notice is a holder of First Preference Shares, Series 1 to be redeemed, as shown on the share register of the Company. Any such notice shall be validly and effectively given on the date on which it is sent to each holder of First Preference Shares, Series 1 to be redeemed in the manner provided for in Section 12 below. Accidental failure or omission to give such notice to one or more holders of First Preference Shares, Series 1 shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice of intention to redeem shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of First Preference Shares, Series 1 held by the person to whom it is addressed which are to be redeemed, the Series 1 Redemption Price, and the Series 1 Redemption Date.

4.4 Payment of Series 1 Redemption Price

On or before the Series 1 Redemption Date, the Company shall pay or cause to be paid to the holders of First Preference Shares, Series 1 to be redeemed the Series 1 Redemption Price therefor. Such payment shall be made by cheque in the amount of the Series 1 Redemption Price payable at par at any branch in Canada of the Company's bankers for the time being or by any other reasonable means that the Company deems desirable, and the delivery of such cheque in such amount shall be a full and complete discharge of the Company's obligation to pay the Series 1 Redemption Price owed to the holders of First Preference Shares, Series 1 so called for redemption to the extent of the sum represented thereby unless the cheque is not honoured when presented for payment. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed for a period of six years from the Series 1 Redemption Date shall be forfeited to the Company.

4.5 Deposit of Series 1 Redemption Price

At any time after notice of redemption is given in accordance with Section 4.3 above, the Company may, at its option, deposit the Series 1 Redemption Price in respect of any or all First Preference Shares, Series 1 called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid, without interest, to or to the order of such holders upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the First Preference Shares, Series 1 to be redeemed. Any interest accrued on such deposit shall belong to the Company. Subject to applicable law, any funds deposited pursuant to this Section 4.5 and unclaimed at the end of one year after the Series 1 Redemption Date shall be released or repaid to the Company, after which time the holders of First Preference Shares, Series 1 who have not claimed such funds shall be entitled to receive payment of their portion of the Series 1 Redemption Price only from the Company.

4.6 Effect of Redemption

From and after the date of payment of the Series 1 Redemption Price pursuant to Section 4.4 above or the date of deposit pursuant to Section 4.5 above, as the case may be, the First Preference Shares, Series 1 (or the number thereof in respect of which a deposit has been made) shall be deemed to be redeemed and shall no longer be outstanding for any purpose, and the holders thereof shall not be entitled to undeclared dividends or to participate in any distribution of the assets of the Company and shall not be entitled to exercise any of the rights of shareholders in respect thereof, except the right to receive the Series 1 Redemption Price therefor, without interest, upon presentation of the certificate or certificates representing such shares.

5. Conversion at the Option of the Company

The First Preference Shares, Series 1 will not be convertible by the Company prior to October 17, 2009. On and after such date, the board of directors of the Company may, at its option and subject to applicable law and, if required, to the approval of any stock exchange or exchanges on which the First Preference Shares, Series 1 or the Common Shares are then listed and posted for trading, convert, on such date as it determines (the "Series 1 Conversion Date"), all or any part of the outstanding First Preference Shares, Series 1 into that number of freely tradeable Common Shares determined (per First Preference Share, Series 1) by dividing the then applicable Series 1 Redemption Price, together with all declared and unpaid dividends on the First Preference Shares, Series 1 (but, for greater certainty, excluding declared dividends with a record date prior to the Series 1 Conversion Date), by the greater of \$1.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") (or, if the Common Shares do not trade on the

TSX on the Series 1 Conversion Date, on the exchange or trading system with the highest volume of Common Shares traded during the twenty trading day period referred to below), for the twenty consecutive trading days ending on: (i) the fourth day prior to the Series 1 Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day. Fractional Common Shares will not be issued on any conversion of First Preference Shares, Series 1, but in lieu thereof the Company will make cash payments.

Notice of any conversion will be given by the Company not less than forty days prior to the Series 1 Conversion Date in accordance with Section 12 below. If less than all the outstanding First Preference Shares, Series 1 are at any time to be converted, the shares to be converted will be selected on a pro rata basis.

Upon the exercise by the Company of its right to convert First Preference Shares, Series 1 into Common Shares, the Company is not required to issue Common Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that such issue would require compliance by the Company with the securities or other laws of such jurisdiction.

6. Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the First Preference Shares, Series 1 are outstanding, the Company shall not, without the approval of the holders of the First Preference Shares, Series 1 given in the manner prescribed in Section 10 below:

- (a) declare or pay any dividends on any shares of the Company ranking junior to or *pari passu* with the First Preference Shares, Series 1 with respect to the payment of dividends (other than stock dividends in shares ranking junior to the First Preference Shares, Series 1 with respect to the payment of dividends);
- (b) except out of the net cash proceeds of an issue of shares ranking junior to the First Preference Shares, Series 1, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of shares ranking junior to the First Preference Shares, Series 1 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company; or
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares ranking *par, passu* with the First Preference Shares, Series 1 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company;

unless, in each such case, all declared and unpaid dividends in respect of the First Preference Shares, Series 1, and all declared and unpaid dividends, or, in respect of cumulative dividends, dividends accrued up to and including the immediately preceding date or dates for the payment of dividends thereon, in respect of all other shares ranking prior to or pari passu with the First Preference Shares, Series 1 with respect to the payment of dividends have been declared and paid or set aside for payment.

7. Purchase for Cancellation

Subject to applicable law, the rules of any stock exchange upon which the First Preference Shares, Series 1 are then listed and posted for trading and to the restrictions contained in Section 6 above, the Company may at any time purchase for cancellation all or any part of the First Preference Shares, Series 1 outstanding from time to time in the open market, by invitation for tenders addressed to all holders of First Preference Shares, Series 1 then outstanding or otherwise, at the lowest price or prices at which in the opinion of the directors of the Company such shares are then obtainable. If, in response to an invitation for tenders under the provisions of this Section 7, more First Preference Shares, Series 1 are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, then the First Preference Shares, Series 1 to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices.

8. Voting Rights

Except as otherwise provided herein or as required by applicable law, the holders of the First Preference Shares, Series 1 shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Company unless and until such time as the Company shall have failed to declare or pay dividends on the First Preference Shares, Series 1 equal in the aggregate to one and one-half times the annual rate or amount of dividends payable on the First Preference Shares, Series 1, whether or not such failures to declare or pay dividends are consecutive, whether or not such dividends shall have been declared and whether or not there shall have been any monies of the Company properly applicable to the payment of dividends. Thereafter, until an amount or amounts equal in the aggregate to one year's dividends at the annual rate or amount of dividends payable on the First Preference Shares, Series 1 shall have been declared and paid thereon, the holders of the First Preference Shares, Series 1 shall be entitled to receive notice of all meetings of shareholders of the Company and to attend thereat, other than meetings of holders of any other class or series of shares held separately as a class or series, and shall at any such meetings which they are entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately as a class or series, be entitled to one vote in respect of each First Preference Share, Series 1 held. For the purposes of this Section 8 only, dividends on the First Preference

Shares, Series 1 shall be deemed to accrue from day to day whether or not such dividends have been declared.

9. Modifications

Subject to certain matters for which the holders of First Preference Shares, Series 1 are not entitled to vote separately as a class or series, as set out in Section 8 above, the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 1 as a series may only be altered, modified or amended from time to time with such approval as may then be required by the Act, any such approval to be given in accordance with Section 10 below.

10. Approval of Holders of First Preference Shares, Series 1

10.1 Approval

Except as otherwise provided herein, any approval of alterations, modifications or amendments to the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 1 as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution signed by all the holders of First Preference Shares, Series 1 or passed by an affirmative vote of not less than $\frac{2}{3}$ of the votes cast at a meeting of holders of First Preference Shares, Series 1 duly called for such purpose and held upon at least twenty-one days' notice at which at least two holders of the outstanding First Preference Shares, Series 1 are present in person or represented by proxy.

10.2 Conduct of Meetings

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the procedures to be followed in respect of the conduct of, any meeting or any adjourned meeting of holders of First Preference Shares, Series 1 shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders or, if not so prescribed, as required by law.

11. Tax Election

The Company shall elect, in the manner and within the time provided under the Income Tax Act (Canada) (the "ITA"), pursuant to subsection 191.2(1) thereof or any successor or replacement provision of similar effect, and shall take all such other actions as are necessary or desirable under the ITA, to pay or cause to be paid tax under Part VI.1 of the ITA at a rate such that holders of the First Preference Shares, Series 1 who are bodies corporate will not be required to pay tax on dividends received on the First Preference Shares, Series 1 pursuant to section 187.2 of the ITA or any successor or replacement provision of similar effect.

12. Communications with Holders

Except as specifically provided elsewhere herein, any notice or other communication from the Company to holders of First Preference Shares, Series 1 shall be sufficiently given, sent or made if delivered or if sent in the manner prescribed by the by-laws of the Company or, if not so prescribed, as required by law.

13. Book-Entry Only System

The First Preference Shares, Series 1 shall be held only through the book-entry system of the Depository and the beneficial owner thereof shall provide instructions only to the participant in the Depository through whom such beneficial owner holds First Preference Shares, Series 1. Beneficial owners of First Preference Shares, Series 1 will not have the right to receive share certificates representing their ownership of such shares.

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

First Preference Shares, Series 2

In addition to the rights, privileges, restrictions and conditions attaching to the First Preference Shares as a class, shall have attached thereto the following:

1. Consideration for Issue

The consideration for the issue of each First Preference Share, Series 2 shall be \$25.00.

2. Dividends

2.1 Declaration and Payment

The holders of the First Preference Shares, Series 2 shall be entitled to receive, and the Company shall pay thereon, if, as and when declared by the board of directors of the Company, subject to applicable law, fixed non-cumulative preferential cash dividends at a rate equal to \$1.1875 per share *per annum*. The initial dividend on the First Preference Shares, Series 2, if declared by the board of directors, will be payable in respect of the period from, but excluding the Series 2 Closing Date, to and including January 17, 2007 (the "Initial Series 2 Dividend Payment Date"). Thereafter, dividends on the First Preference Shares, Series 2, if declared by the board of directors, will be payable quarterly on the Dividend Payment Dates at a rate of \$0.296875 per share.

The holders of the First Preference Shares, Series 2 will not be entitled to any dividends other than, or in excess of, the non-cumulative preferential cash dividends or such other dividends declared at the discretion of the board of directors in replacement

of any such dividends which were not declared or paid. If the board of directors of the Company, in its sole discretion, does not declare and pay any non-cumulative preferential cash dividend, or any part thereof, on the First Preference Shares, Series 2 on or before the applicable Dividend Payment Date (including the Initial Series 2 Dividend Payment Date) for a particular quarter, the right of the holders of the First Preference Shares, Series 2 to receive such dividend, or part thereof, for such quarter shall be extinguished.

2.2 Method of Payment

Cheques payable in lawful money of Canada at any branch in Canada of the Company's bankers shall be issued in respect of any dividends on the First Preference Shares, Series 2 (less any tax required to be withheld by the Company), provided that the Company and any particular holder of First Preference Shares, Series 2 may agree on some other means for payment of dividends to such holder. Dividends on the First Preference Shares, Series 2 shall be paid as hereinafter provided to the holders of First Preference Shares, Series 2 appearing on the Company's register of such holders at the close of business on the record date for the payment of such dividends fixed by the directors of the Company in accordance with the Act. The mailing by the Company or the transfer agent for the First Preference Shares, Series 2, by prepaid first class mail, on or before the Initial Series 2 Dividend Payment Date or any Dividend Payment Date of a cheque to a holder of First Preference Shares, Series 2, or in the case of joint holders to the joint holder whose name appears first on the Company's register of holders of First Preference Shares, Series 2, shall be deemed to be payment of the dividends represented thereby and payable on the Initial Series 2 Dividend Payment Date or any Dividend Payment Date unless the cheque is not paid upon presentation. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Company.

3. Rights on Dissolution

3.1 Entitlement on Dissolution

On any distribution of assets of the Company in the event of the liquidation, dissolution, winding up or other distribution of assets of the Company for the purpose of winding up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Company and of the holders of shares of the Company ranking in priority to the First Preference Shares with respect to the distribution of assets on the liquidation, dissolution, winding up or other distribution of assets of the Company for the purpose of winding up its affairs, the holders of the First Preference Shares, Series 2 shall be entitled to receive the sum of \$25 per First Preference Share, Series 2 together with any declared, but unpaid, dividends thereon (but for greater certainty, excluding declared dividends with a record date prior to the payment or distribution date) up to but excluding the date of payment or distribution, before any payment is made to the

holders of the Common Shares, the Preference Shares or any other shares of the Company ranking junior to the First Preference Shares. Upon payment of such amounts, the holders of the First Preference Shares, Series 2 shall not be entitled to participate further in any distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company.

3.2 Proportionate Sharing

The holders of First Preference Shares, Series 2 shall be entitled to share proportionately with every other series of First Preference Shares, and any other shares of the Company which by their terms rank equally with the First Preference Shares, Series 2 with respect to the distribution of assets, in the distribution of the remaining assets of the Company upon the happening of an event described in Section 3.1 above.

4. Redemption

4.1 Optional Redemption

The Company may not redeem any of the First Preference Shares, Series 2 prior to October 17, 2011. On and after such date, but subject to the provisions of this Section 4, to applicable law, to the provisions of any shares of the Company ranking prior to or par passu with the First Preference Shares, Series 2 and to the restrictions contained in Section 6 below, the Company will be entitled to redeem at any time all, or from time to time any part, of the then outstanding First Preference Shares, Series 2. Any such redemption may be made upon payment of an amount in cash for each such First Preference Share, Series 2 so redeemed equal to:

- (a) \$26.00 per share if the Series 2 Redemption Date (as defined below) is prior to October 17, 2012;
- (b) \$25.75 if the Series 2 Redemption Date is on or after October 17, 2012 and prior to October 17, 2013;
- (c) \$25.50 if the Series 2 Redemption Date is on or after October 17, 2013 and prior to October 17, 2014;
- (d) \$25.25 if the Series 2 Redemption Date is on or after October 17, 2014 and prior to October 17, 2015; and
- (e) \$25.00 if the Series 2 Redemption Date is on or after October 17, 2015,

(the "Series 2 Redemption Amount") in each case, together with all declared and unpaid dividends thereon (but, for greater certainty, excluding declared dividends with a record date prior to the Series 2 Redemption Date) to but excluding the Series 2

Redemption Date, less any tax required to be deducted and withheld by the Company (the "Series 2 Redemption Price").

4.2 Partial Redemption

If less than all of the outstanding First Preference Shares, Series 2 are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the board of directors of the Company in its sole discretion determines. In the event that the Company terminates registration of the First Preference Shares, Series 2 through the book-based system of the Depository and a part only of the First Preference Shares, Series 2 represented by any certificate is to be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Company upon presentation and surrender of the first mentioned certificate.

4.3 Notice of Redemption

The Company shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place (the "Series 2 Redemption Date") of its intention to redeem such First Preference Shares, Series 2 to each person who at the date of giving such notice is a holder of First Preference Shares, Series 2 to be redeemed, as shown on the share register of the Company. Any such notice shall be validly and effectively given on the date on which it is sent to each holder of First Preference Shares, Series 2 to be redeemed in the manner provided for in Section 12. Accidental failure or omission to give such notice to one or more holders of First Preference Shares, Series 2 shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice of intention to redeem shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of such First Preference Shares, Series 2 held by the person to whom it is addressed which are to be redeemed, the Series 2 Redemption Price, and the Series 2 Redemption Date.

4.4 Payment of Series 2 Redemption Price

On or before the Series 2 Redemption Date, the Company shall pay or cause to be paid to the holders of First Preference Shares, Series 2 to be redeemed the Series 2 Redemption Price therefore. Such payment shall be made by cheque in the amount of the Series 2 Redemption Price payable at par at any branch in Canada of the Company's bankers for the time being or by any other reasonable means that the Company deems desirable, and the delivery of such cheque in such amount shall be a full and complete discharge of the Company's obligation to pay the Series 2 Redemption Price owed to the holders of First Preference Shares, Series 2 so called for redemption to the extent of the sum represented thereby unless the cheque is not honoured when presented for payment. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Company's

bankers for payment or that otherwise remain unclaimed for a period of six years from the Series 2 Automatic Redemption Date shall be forfeited to the Company.

4.5 Deposit of Series 2 Redemption Price

At any time after notice of redemption is given in accordance with Section 4.3 above, the Company may, at its option, deposit the Series 2 Redemption Price in respect of any or all First Preference Shares, Series 2 called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid, without interest, to or to the order of such holders upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the First Preference Shares, Series 2 to be redeemed. Any interest accrued on such deposit shall belong to the Company. Subject to applicable law, any funds deposited pursuant to this Section 4.5 and unclaimed at the end of one year after the Series 2 Redemption Date shall be released or repaid to the Company, after which time the holders of First Preference Shares, Series 2 who have not claimed such funds shall be entitled to receive payment of their portion of the Series 2 Redemption Price only from the Company.

4.6 Effect of Redemption

From and after the date of payment of the Series 2 Redemption Price pursuant to Section 4.4 above or the date of deposit pursuant to Section 4.5 above, as the case may be, the First Preference Shares, Series 2 (or the number thereof in respect of which a payment or deposit has been made) shall be deemed to be redeemed and shall no longer be outstanding for any purpose, and the holders thereof shall not be entitled to undeclared dividends or to participate in any distribution of the assets of the Company and shall not be entitled to exercise any of the rights of shareholders in respect thereof, except the right to receive the Series 2 Redemption Price therefore, without interest, upon the presentation of the certificate or certificates representing such shares.

5. Conversion at the Option of the Company

The First Preference Shares, Series 2 will not be convertible by the Company prior to October 17, 2011. On and after such date, the board of directors of the Company may, at its option and subject to applicable law and, if required, to the approval of any stock exchange or exchanges on which the First Preference Shares, Series 2 or the Common Shares are then listed and posted for trading, convert, on such date as it determines (the "Series 2 Conversion Date"), all or from time to time any part of the outstanding First Preference Shares, Series 2 into that number of freely tradeable Common Shares determined (per First Preference Share, Series 2) by dividing the then applicable Series 2 Redemption Amount, together with all declared and unpaid dividends on the First Preference Shares, Series 2 (but, for greater certainty, excluding declared dividends with a record date prior to the Series 2 Conversion Date) up to but excluding the Series 2

Conversion Date, by the greater of \$1.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") (or, if the Common Shares do not trade on the TSX on the Series 2 Conversion Date, on the exchange or trading system with the highest volume of Common Shares traded during the twenty trading day period referred to below), for the twenty consecutive trading days ending on: (i) the fourth day prior to the Series 2 Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day. Fractional Common Shares will not be issued on any conversion of First Preference Shares, Series 2, but in lieu thereof the Company will make cash payments based on the formula set out in the preceding sentence.

Notice of any conversion will be given by the Company not less than forty days prior to the Series 2 Conversion Date in accordance with Section 12 below. If less than all the outstanding First Preference Shares, Series 2 are at any time to be converted, the shares to be converted will be selected on a pro rata basis.

Upon the exercise by the Company of its right to convert First Preference Shares, Series 2 into Common Shares, the Company is not required to issue Common Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that such issue would require compliance by the Company with the securities or other laws of such jurisdiction.

6. Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the First Preference Shares, Series 2 are outstanding, the Company shall not, without the approval of the holders of the First Preference Shares, Series 2 given in the manner prescribed in Section 10 below:

- (a) declare or pay any dividends on any shares of the Company ranking junior to or *pari passu* with the First Preference Shares, Series 2 with respect to the payment of dividends (other than stock dividends in shares ranking junior to the First Preference Shares, Series 2 with respect to the payment of dividends);
- (b) except out of the net cash proceeds of an issue of shares ranking junior to the First Preference Shares, Series 2 redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of shares ranking junior to the First Preference Shares, Series 2 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company; or
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares ranking *pari passu* with the First Preference Shares, Series 2 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company;

unless, in each such case, all declared and unpaid dividends in respect of the First Preference Shares, Series 2 and all declared and unpaid dividends or, in respect of cumulative dividends, dividends accrued up to and including the immediately preceding date or dates for the payment of dividends thereon in respect of all other shares ranking prior to or par passu with the First Preference Shares, Series 2 with respect to the payment of dividends have been declared and paid or set aside for payment.

7. Purchase for Cancellation

Subject to applicable law, the rules of any exchange upon which the First Preference Shares, Series 2 are then listed and posted for trading and subject to the restrictions contained in Section 6 above, the Company may at any time or times purchase for cancellation all or any part of the First Preference Shares, Series 2 outstanding from time to time in the open market, by invitation for tenders addressed to all holders of First Preference Shares, Series 2 then outstanding or otherwise, at the lowest price or prices at which in the opinion of the directors of the Company such shares are then obtainable. If, in response to an invitation for tenders under the provisions of this Section 7, more First Preference Shares, Series 2 are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, then the First Preference Shares, Series 2 to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices.

8. Voting Rights

Except as otherwise provided herein or as required by applicable law, the holders of the First Preference Shares, Series 2 shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Company unless and until such time as the Company shall have failed to declare or pay dividends on the First Preference Shares, Series 2 equal in the aggregate to one and one-half times the annual rate or amount of dividends payable on the First Preference Shares, Series 2, whether or not such failures to declare or pay dividends are consecutive, and whether or not such dividends shall have been declared, and whether or not there shall have been any monies of the Company properly applicable to the payment of dividends. Thereafter, until an amount or amounts equal in the aggregate to one year's dividends at the annual rate or amount of dividends payable on the First Preference Shares, Series 2 shall have been declared and paid thereon, the holders of the First Preference Shares, Series 2 shall be entitled to receive notice of all meetings of shareholders of the Company and to attend thereat, other than any meetings of holders of any other class or series of shares held separately as a class or series, and shall at any such meetings which they are entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately as a class or series, be entitled to one vote in respect of each

First Preference Share, Series 2 held. For the purposes of this Section 8 only, dividends on the First Preference Shares, Series 2 shall be deemed to be cumulative and to accrue from day to day whether or not such dividends have been declared.

9. Modifications

Subject to certain matters for which the holders of First Preference Shares, Series 2 are not entitled to vote separately as a class, as set out in Section 5 of the Class Attributes of the First Preference Shares, the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 2 as a series may only be altered, modified or amended from time to time with such approval as may then be required by the Act, any such approval to be given in accordance with Section 10 below.

10. Approval of Holders of First Preference Shares, Series 2

10.1 Approval

Except as otherwise provided herein, any approval of alterations, modifications or amendments to the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 2 as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution signed by all the holders of First Preference Shares, Series 2 or passed by an affirmative vote of not less than $\frac{2}{3}$ of the votes cast at a meeting of holders of First Preference Shares, Series 2 duly called for such purpose and held upon at least twenty-one days' notice at which at least two holders of the outstanding First Preference Shares, Series 2 are present in person or represented by duly qualified proxy.

10.2 Conduct of Meetings

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the procedures to be followed in respect of the conduct of, any meeting or any adjourned meeting of holders of First Preference Shares, Series 2 shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders or, if not so prescribed, as required by law.

11. Tax Election

The Company shall elect, in the manner and within the time provided under the *Income Tax Act* (Canada) (the "ITA"), pursuant to section 191.2(1) thereof or any successor or replacement provision of similar effect, and shall take all such other actions as are necessary or desirable under the ITA, to pay or cause payment of tax under Part VIA of the ITA at a rate such that holders of the First Preference Shares, Series 2 who are bodies corporate will not be required to pay tax on dividends received on the First Preference Shares, Series 2 under section 187.2 of Part IV.1 of the ITA or any successor or replacement provision of similar effect.

12. Communications with Holders

Except as specifically provided elsewhere herein, any notice or other communication from the Company to holders of First Preference Shares, Series 2 shall be sufficiently given, sent or made if delivered or if sent in the manner prescribed by the by-laws of the Company or, if not so prescribed, as required by law.

13. Book-Entry Only System

The First Preference Shares, Series 2 shall be held only through the book-entry system of the Depository and the beneficial owner thereof shall provide instructions only to the participant in the Depository through whom such beneficial owner holds First Preference Shares, Series 2. Beneficial owners of First Preference Shares, Series 2 will not have the right to receive share certificates representing their ownership of such shares.

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

First Preference Shares, Series 3

In addition to the rights, privileges, restrictions and conditions attaching to the First Preference Shares as a class, shall have attached thereto the following:

1. Consideration for Issue

The consideration for the issue of each First Preference Share, Series 3 shall be \$25.00.

2. Dividends

2.1 Declaration and Payment

The holders of the First Preference Shares, Series 3 shall be entitled to receive, and the Company shall pay thereon, if, as and when declared by the board of directors of the Company, subject to applicable law, fixed non-cumulative preferential cash dividends at a rate equal to \$1.3750 per share *per annum*. The initial dividend on the First Preference Shares, Series 3, if declared by the board of directors, will be payable in respect of the period from, but excluding the Series 3 Closing Date, to and including July 17, 2012 (the "Initial Series 3 Dividend Payment Date"). Thereafter, dividends on the First Preference Shares, Series 3, if declared by the board of directors, will be payable quarterly on the Dividend Payment Dates at a rate of \$0.34375 per share.

The holders of the First Preference Shares, Series 3 will not be entitled to any dividends other than, or in excess of, the non-cumulative preferential cash dividends or such other dividends declared at the discretion of the board of directors in replacement of any such dividends which were not declared or paid. If the board of directors of the Company, in its sole discretion, does not declare and pay any non-cumulative preferential cash dividend, or any part thereof, on the First Preference Shares, Series 3 on or before the applicable Dividend Payment Date (including the Initial Series 3 Dividend Payment Date) for a particular quarter, the right of the holders of the First Preference Shares, Series 3 to receive such dividend, or part thereof, for such quarter shall be extinguished.

2.2 Method of Payment

Cheques payable in lawful money of Canada at any branch in Canada of the Company's bankers shall be issued in respect of any dividends on the First Preference Shares, Series 3 (less any tax required to be withheld by the Company), provided that the Company and any particular holder of First Preference Shares, Series 3 may agree on some other means for payment of dividends to such holder. Dividends on the First Preference Shares, Series 3 shall be paid as hereinafter provided to the holders of First Preference Shares, Series 3 appearing on the Company's register of such holders at the close of business on the record date for the payment of such dividends fixed by the directors of the Company in accordance with the Act. The mailing by the Company or the transfer agent for the First Preference Shares, Series 3, by prepaid first class mail, on or before the Initial Series 3 Dividend Payment Date or any Dividend Payment Date of a cheque to a holder of First Preference Shares, Series 3, or in the case of joint holders to the joint holder whose name appears first on the Company's register of holders of First Preference Shares, Series 3, shall be deemed to be payment of the dividends represented thereby and payable on the Initial Series 3 Dividend Payment Date or any Dividend Payment Date unless the cheque is not paid upon presentation. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Company.

3. Rights on Dissolution

3.1 Entitlement on Dissolution

On any distribution of assets of the Company in the event of the liquidation, dissolution, winding up or other distribution of assets of the Company for the purpose of winding up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Company and of the holders of shares of the Company ranking in priority to the First Preference Shares with respect to the distribution of assets on the liquidation, dissolution, winding up or other distribution of assets of the Company for the purpose of winding up its affairs, the holders of the First Preference Shares, Series 3 shall be entitled to receive the sum of \$25.00 per First Preference Share, Series 3

together with any declared, but unpaid, dividends thereon (but for greater certainty, excluding declared dividends with a record date prior to the payment or distribution date) up to but excluding the date of payment or distribution, before any payment is made to the holders of the Common Shares, the Preference Shares or any other shares of the Company ranking junior to the First Preference Shares. Upon payment of such amounts, the holders of the First Preference Shares, Series 3 shall not be entitled to participate further in any distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company.

3.2 Proportionate Sharing

The holders of First Preference Shares, Series 3 shall be entitled to share proportionately with every other series of First Preference Shares, and any other shares of the Company which by their terms rank equally with the First Preference Shares, Series 3 with respect to the distribution of assets, in the distribution of the remaining assets of the Company upon the happening of an event described in Section 3.1 above.

4. Redemption

4.1 Optional Redemption

The Company may not redeem any of the First Preference Shares, Series 3 prior to April 17, 2017. On and after such date, but subject to the provisions of this Section 4, to applicable law, to the provisions of any shares of the Company ranking prior to or *pari passu* with the First Preference Shares, Series 3 and to the restrictions contained in Section 6 below, the Company will be entitled to redeem at any time all, or from time to time any part, of the then outstanding First Preference Shares, Series 3. Any such redemption may be made upon payment of an amount in cash for each such First Preference Share, Series 3 so redeemed equal to:

- (a) \$26.00 per share if the Series 3 Redemption Date (as defined below) is prior to April 17, 2018;
- (b) \$25.75 if the Series 3 Redemption Date is on or after April 17, 2018 and prior to April 17, 2019;
- (c) \$25.50 if the Series 3 Redemption Date is on or after April 17, 2019 and prior to April 17, 2020;
- (d) \$25.25 if the Series 3 Redemption Date is on or after April 17, 2020 and prior to April 17, 2021; and
- (e) \$25.00 if the Series 3 Redemption Date is on or after April 17, 2021,

(the "Series 3 Redemption Amount") in each case, together with all declared and unpaid dividends thereon (but, for greater certainty, excluding declared dividends with a record date prior to the Series 3 Redemption Date) to but excluding the Series 3 Redemption Date, less any tax required to be deducted and withheld by the Company (the "Series 3 Redemption Price").

4.2 Partial Redemption

If less than all of the outstanding First Preference Shares, Series 3 are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the board of directors of the Company in its sole discretion determines. In the event that the Company terminates registration of the First Preference Shares, Series 3 through the book-based system of the Depository and a part only of the First Preference Shares, Series 3 represented by any certificate is to be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Company upon presentation and surrender of the first mentioned certificate.

4.3 Notice of Redemption

The Company shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place (the "Series 3 Redemption Date") of its intention to redeem such First Preference Shares, Series 3 to each person who at the date of giving such notice is a holder of First Preference Shares, Series 3 to be redeemed, as shown on the share register of the Company. Any such notice shall be validly and effectively given on the date on which it is sent to each holder of First Preference Shares, Series 3 to be redeemed in the manner provided for in Section 12. Accidental failure or omission to give such notice to one or more holders of First Preference Shares, Series 3 shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice of intention to redeem shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of such First Preference Shares, Series 3 held by the person to whom it is addressed which are to be redeemed, the Series 3 Redemption Price, and the Series 3 Redemption Date.

4.4 Payment of Series 3 Redemption Price

On or before the Series 3 Redemption Date, the Company shall pay or cause to be paid to the holders of First Preference Shares, Series 3 to be redeemed the Series 3 Redemption Price therefor. Such payment shall be made by cheque in the amount of the Series 3 Redemption Price payable at par at any branch in Canada of the Company's bankers for the time being or by any other reasonable means that the Company deems desirable, and the delivery of such cheque in such amount shall be a full and complete discharge of the Company's obligation to pay the Series 3 Redemption Price owed to the holders of First Preference Shares, Series 3 so called

for redemption to the extent of the sum represented thereby unless the cheque is not honoured when presented for payment. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed for a period of six years from the Series 3 Redemption Date shall be forfeited to the Company.

4.5 Deposit of Series 3 Redemption Price

At any time after notice of redemption is given in accordance with Section 4.3 above, the Company may, at its option, deposit the Series 3 Redemption Price in respect of any or all First Preference Shares, Series 3 called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid, without interest, to or to the order of such holders upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the First Preference Shares, Series 3 to be redeemed. Any interest accrued on such deposit shall belong to the Company. Subject to applicable law, any funds deposited pursuant to this Section 4.5 and unclaimed at the end of one year after the Series 3 Redemption Date shall be released or repaid to the Company, after which time the holders of First Preference Shares, Series 3 who have not claimed such funds shall be entitled to receive payment of their portion of the Series 3 Redemption Price only from the Company.

4.6 Effect of Redemption

From and after the date of payment of the Series 3 Redemption Price pursuant to Section 4.4 above or the date of deposit pursuant to Section 4.5 above, as the case may be, the First Preference Shares, Series 3 (or the number thereof in respect of which a payment or deposit has been made) shall be deemed to be redeemed and shall no longer be outstanding for any purpose, and the holders thereof shall not be entitled to undeclared dividends or to participate in any distribution of the assets of the Company and shall not be entitled to exercise any of the rights of shareholders in respect thereof, except the right to receive the Series 3 Redemption Price therefor, without interest, upon the presentation of the certificate or certificates representing such shares.

5. Conversion at the Option of the Company

The First Preference Shares, Series 3 will not be convertible by the Company prior to April 17, 2017. On and after such date, the board of directors of the Company may, at its option and subject to applicable law and, if required, to the approval of any stock exchange or exchanges on which the First Preference Shares, Series 3 or the Common Shares are then listed and posted for trading, convert, on such date as it determines (the "Series 3 Conversion Date"), all or from time to time any part of the outstanding First Preference Shares, Series 3 into that number of freely tradeable

Common Shares determined (per First Preference Share, Series 3) by dividing the then applicable Series 3 Redemption Amount, together with all declared and unpaid dividends on the First Preference Shares, Series 3 (but, for greater certainty, excluding declared dividends with a record date prior to the Series 3 Conversion Date) up to but excluding the Series 3 Conversion Date, by the greater of \$1.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") (or, if the Common Shares do not trade on the TSX on the Series 3 Conversion Date, on the exchange or trading system with the highest volume of Common Shares traded during the twenty trading day period referred to below), for the 20 consecutive trading days ending on: (i) the fourth day prior to the Series 3 Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day. Fractional Common Shares will not be issued on any conversion of First Preference Shares, Series 3, but in lieu thereof the Company will make cash payments based on the formula set out in the preceding sentence.

Notice of any conversion will be given by the Company not less than 40 days prior to the Series 3 Conversion Date in accordance with Section 12 below. If less than all the outstanding First Preference Shares, Series 3 are at any time to be converted, the shares to be converted will be selected on a pro rata basis.

Upon the exercise by the Company of its right to convert First Preference Shares, Series 3 into Common Shares, the Company is not required to issue Common Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that such issue would require compliance by the Company with the securities or other laws of such jurisdiction.

6. Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the First Preference Shares, Series 3 are outstanding, the Company shall not, without the approval of the holders of the First Preference Shares, Series 3 given in the manner prescribed in Section 10 below:

- (a) declare or pay any dividends on any shares of the Company ranking junior to or *pari passu* with the First Preference Shares, Series 3 with respect to the payment of dividends (other than stock dividends in shares ranking junior to the First Preference Shares, Series 3 with respect to the payment of dividends);
- (b) except out of the net cash proceeds of an issue of shares ranking junior to the First Preference Shares, Series 3 redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of shares ranking junior to the First Preference Shares, Series 3 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company; or

(c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares ranking *part passu* with the First Preference Shares, Series 3 with respect to the distribution of assets on the dissolution, liquidation or winding up of the Company;

unless, in each such case, all declared and unpaid dividends in respect of the First Preference Shares, Series 3 and all declared and unpaid dividends or, in respect of cumulative dividends, dividends accrued up to and including the immediately preceding date or dates for the payment of dividends thereon in respect of all other shares ranking prior to or *pari passu* with the First Preference Shares, Series 3 with respect to the payment of dividends have been declared and paid or set aside for payment.

7. Purchase for Cancellation

Subject to applicable law, the rules of any exchange upon which the First Preference Shares, Series 3 are then listed and posted for trading and subject to the restrictions contained in Section 6 above, the Company may at any time or times purchase for cancellation all or any part of the First Preference Shares, Series 3 outstanding from time to time in the open market, by invitation for tenders addressed to all holders of First Preference Shares, Series 3 then outstanding or otherwise, at the lowest price or prices at which, in the opinion of the board of directors of the Company, such shares are then obtainable. If, in response to an invitation for tenders under the provisions of this Section 7, more First Preference Shares, Series 3 are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, then the First Preference Shares, Series 3 to be purchased by the Company shall be purchased as nearly as may be *pro rata* according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices.

8. Voting Rights

Except as otherwise provided herein or as required by applicable law, the holders of the First Preference Shares, Series 3 shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Company unless and until such time as the Company shall have failed to declare or pay dividends on the First Preference Shares, Series 3 equal in the aggregate to one and one-half times the annual rate or amount of dividends payable on the First Preference Shares, Series 3, whether or not such failures to declare or pay dividends are consecutive, and whether or not such dividends shall have been declared, and whether or not there shall have been any monies of the Company properly applicable to the payment of dividends. Thereafter, until an amount or amounts equal in the aggregate to one year's dividends at the

annual rate or amount of dividends payable on the First Preference Shares, Series 3 shall have been declared and paid thereon, the holders of the First Preference Shares, Series 3 shall be entitled to receive notice of all meetings of shareholders of the Company and to attend thereat, other than any meetings of holders of any other class or series of shares held separately as a class or series, and shall at any such meetings which they are entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately as a class or series, be entitled to one vote in respect of each First Preference Share, Series 3 held. For the purposes of this Section 8 only, dividends on the First Preference Shares, Series 3 shall be deemed to be cumulative and to accrue from day to day whether or not such dividends have been declared.

9. Modifications

Subject to certain matters for which the holders of First Preference Shares, Series 3 are not entitled to vote separately as a class, as set out in Section 5 of the Class Attributes of the First Preference Shares, the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 3 as a series may only be altered, modified or amended from time to time with such approval as may then be required by the Act, any such approval to be given in accordance with Section 10 below.

10. Approval of Holders of First Preference Shares, Series 3

10.1 Approval

Except as otherwise provided herein, any approval of alterations, modifications or amendments to the rights, privileges, restrictions and conditions attaching to the First Preference Shares, Series 3 as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution signed by all the holders of First Preference Shares, Series 3 or passed by an affirmative vote of not less than $\frac{2}{3}$ of the votes cast at a meeting of holders of First Preference Shares, Series 3 duly called for such purpose and held upon at least 21 days' notice at which at least two (2) holders of the outstanding First Preference Shares, Series 3 are present in person or represented by duly qualified proxy.

10.2 Conduct of Meetings

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the procedures to be followed in respect of the conduct of, any meeting or any adjourned meeting of holders of First Preference Shares, Series 3 shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders or, if not so prescribed, as required by law.

11. Tax Election

The Company shall elect, in the manner and within the time provided under the *Income Tax Act* (Canada) (the "ITA"), pursuant to subsection 191.2(1) of Part VIA of the ITA or any successor or replacement provision of similar effect, and shall take all such other actions as are necessary or desirable under the ITA, to pay or cause payment of tax under Part VIA of the ITA at a rate such that holders of the First Preference Shares, Series 3 who are corporations will not be required to pay tax on dividends received on the First Preference Shares, Series 3 under section 187.2 of Part IV.1 of the ITA or any successor or replacement provision of similar effect.

12. Communications with Holders

Except as specifically provided elsewhere herein, any notice or other communication from the Company to holders of First Preference Shares, Series 3 shall be sufficiently given, sent or made if delivered or if sent in the manner prescribed by the by-laws of the Company or, if not so prescribed, as required by law.

13. Book-Entry Only System

The First Preference Shares, Series 3 shall be held only through the book-entry system of the Depository and the beneficial owner thereof shall provide instructions only to the participant in the Depository through whom such beneficial owner holds First Preference Shares, Series 3. Beneficial owners of First Preference Shares, Series 3 will not have the right to receive share certificates representing their ownership of such shares.

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

Common Shares

1. Voting Rights

The holder of one or more Common Shares is entitled to one vote for each Common Share held at all general meetings of the shareholders of the Company, and at all meetings of Common shareholders.

2. Dividends

The holder of a Common Share is entitled to any dividends which may be declared to be payable thereon.

3. Rights on Dissolution

Upon the liquidation, dissolution or winding-up of the Company the remaining property of the Company shall be divided rateably among the holders of the Series A Convertible Preference Shares and Common Shares without preference or distinction between the two classes.

4. Approval of Holders of the Common Shares

The holders of the Common Shares shall not be entitled to vote separately as a class or dissent:

- (a) with respect to a proposal to amend the Articles of the Company to create a new class to rank equal or superior to the Common Shares as a class, unless the proposed shares of the proposed class would carry voting rights superior to those attached to the Common Shares; or
- (b) with respect to a proposal to increase or decrease the maximum number of Common Shares.

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

None

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

None

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

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

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

E-L Financial Corporation Limited

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Mark M. Taylor

Print name of signatory /
Nom du signataire en lettres moulées

Executive Vice-President
and Chief Financial Officer

Description of Office / Fonction

1865164 Ontario Limited

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Mark M. Taylor

Print name of signatory /
Nom du signataire en lettres moulées

director and Treasurer

Description of Office / Fonction

2351406 Ontario Inc.

Names of Corporations / Dénomination sociale des sociétés

By / Par


Signature / Signature

Mark M. Taylor

Print name of signatory /
Nom du signataire en lettres moulées

director and Treasurer

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

SCHEDULE A


**STATEMENT
PURSUANT TO SUBSECTION 178 (2) OF
THE ONTARIO BUSINESS CORPORATIONS ACT**

I, Mark M. Taylor, of the City of Mississauga, in the Province of Ontario, hereby state as follows:

1. This statement is made pursuant to subsection 178(2) of the Ontario Business Corporations Act (the "Act").
2. I am a director and Executive Vice-President and the Chief Financial Officer of **E-L Financial Corporation Limited** (the "Company") and as such have knowledge of its affairs.
3. I have conducted such examinations of the books and records of the Company as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that the Company was, and the company to be formed by the amalgamation of the Company and 1865164 Ontario Limited and 2351406 Ontario Inc. is and will be, able to pay its liabilities as they become due.
5. There are reasonable grounds for believing that the realizable value of such amalgamated company's assets are not and will not be less than the aggregate of its liabilities and stated capital of all classes.
6. There are reasonable grounds for believing that no creditor of the Company will be prejudiced by the amalgamation.
7. The Company has not been notified by any creditor that it objects to the amalgamation.

AND I MAKE this solemn declaration conscientiously believing the same to be true and of the same force and effect as though made under oath by virtue of the Canada Evidence Act.

SWORN before me at the City of)
Toronto, in the Province of Ontario, this)
2nd day of December , 2013)


Richard B. Carty)
Notary Public)



Mark M. Taylor

SCHEDULE A


**STATEMENT
PURSUANT TO SUBSECTION 178 (2) OF
THE ONTARIO BUSINESS CORPORATIONS ACT**

I, Mark M. Taylor, of the City of Mississauga, in the Province of Ontario, hereby state as follows:

1. This statement is made pursuant to subsection 178(2) of the Ontario Business Corporations Act (the "Act").
2. I am the sole director and the Treasurer of **1865164 Ontario Limited** (the "Company") and as such have knowledge of its affairs.
3. I have conducted such examinations of the books and records of the Company as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that the Company was, and the company to be formed by the amalgamation of the Company and E-L Financial Corporation Limited and 2351406 Ontario Inc. is and will be, able to pay its liabilities as they become due.
5. There are reasonable grounds for believing that the realizable value of such amalgamated company's assets are not and will not be less than the aggregate of its liabilities and stated capital of all classes.
6. There are reasonable grounds for believing that no creditor of the Company will be prejudiced by the amalgamation.
7. The Company has not been notified by any creditor that it objects to the amalgamation.

AND I MAKE this solemn declaration conscientiously believing the same to be true and of the same force and effect as though made under oath by virtue of the Canada Evidence Act.

SWORN before me at the City of)
Toronto, in the Province of Ontario, this)
2nd day of December, 2013)


Richard B. Carty)
Notary Public)



Mark M. Taylor

SCHEDULE A

**STATEMENT
PURSUANT TO SUBSECTION 178 (2) OF
THE ONTARIO BUSINESS CORPORATIONS ACT**

I, Mark M. Taylor, of the City of Mississauga, in the Province of Ontario, hereby state as follows:

1. This statement is made pursuant to subsection 178(2) of the Ontario Business Corporations Act (the "Act").
2. I am the sole director and the Treasurer of **2351406 Ontario Inc.** (the "Company") and as such have knowledge of its affairs.
3. I have conducted such examinations of the books and records of the Company as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that the Company was, and the company to be formed by the amalgamation of the Company and E-L Financial Corporation Limited and 1865164 Ontario Limited is and will be, able to pay its liabilities as they become due.
5. There are reasonable grounds for believing that the realizable value of such amalgamated company's assets are not and will not be less than the aggregate of its liabilities and stated capital of all classes.
6. There are reasonable grounds for believing that no creditor of the Company will be prejudiced by the amalgamation.
7. The Company has not been notified by any creditor that it objects to the amalgamation.

AND I MAKE this solemn declaration conscientiously believing the same to be true and of the same force and effect as though made under oath by virtue of the Canada Evidence Act.

SWORN before me at the City of)
Toronto, in the Province of Ontario, this)
2nd day of December, 2013)
)
)
)
)
)
)
Richard B. Carty)
Notary Public)



Mark M. Taylor

SCHEDULE B

E-L FINANCIAL CORPORATION LIMITED

"AMALGAMATION"

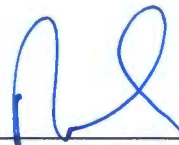
WHEREAS subsection 177(1) of the *Ontario Business Corporations Act* permits the directors of the Company to approve an amalgamation of the Company with one or more of its subsidiary corporations;

NOW THEREFORE BE IT RESOLVED THAT:

1. the amalgamation of the Company with its subsidiaries, 1865164 Ontario Limited and 2351406 Ontario Inc., is hereby authorized and approved;
2. upon the amalgamation being effective the shares of 1865164 Ontario Limited and 2351406 Ontario Inc. shall be cancelled without repayment of capital in respect thereof;
3. no securities shall be issued by the amalgamated company in connection with the amalgamation and the stated capital of the amalgamated company shall be the same as the stated capital of the amalgamating holding company;
4. the Articles of Amalgamation shall be the same as the articles of the Company;
5. Articles of Amalgamation in the form annexed hereto as Schedule A are hereby approved; and
6. any one of the directors or officers of the Company be and is hereby authorized and directed for and on behalf of the Company to take all acts and proceedings and to do all things and execute all instruments and documents as may be necessary or desirable in connection with the said amalgamation including, without limitation, to send to the Director appointed under the Act articles of amalgamation in the form prescribed under such Act in respect of such amalgamation, provided that the directors of the Company may delay the delivery of such articles of amalgamation or revoke this resolution if they, in their sole discretion, deem it to be in the best interests of the Company to do so."

The undersigned, Richard B. Carty, Corporate Secretary of E-L Financial Corporation Limited, hereby certifies that the foregoing is a true copy of a resolution passed by the directors on December 2, 2013, which remains in full force and effect, unamended, as of the date hereof.

DATED at Toronto, this 2nd day of December, 2013.



Richard B. Carty
Corporate Secretary

SCHEDULE B

1865164 ONTARIO LIMITED

"AMALGAMATION"

WHEREAS subsection 177(1) of the *Ontario Business Corporations Act* permits the director of the Company to approve an amalgamation of the Company with its holding corporation;

NOW THEREFORE BE IT RESOLVED THAT:

1. the amalgamation of the Company with its parent, E-L Financial Corporation Limited ("E-L Financial"), and another of E-L Financial's wholly-owned subsidiaries, 2351406 Ontario Inc., is hereby authorized and approved;
2. upon the amalgamation being effective the shares of the Company shall be cancelled without repayment of capital in respect thereof;
3. no securities shall be issued by the amalgamated company in connection with the amalgamation and the stated capital of the amalgamated company shall be the same as the stated capital of E-L Financial;
4. the Articles of Amalgamation shall be the same as the articles of the E-L Financial;
5. Articles of Amalgamation in the form annexed hereto as Schedule A are hereby approved; and
6. any one of the directors or officers of the Company be and is hereby authorized and directed for and on behalf of the Company to take all acts and proceedings and to do all things and execute all instruments and documents as may be necessary or desirable in connection with the said amalgamation including, without limitation, to send to the Director appointed under the Act articles of amalgamation in the form prescribed under such Act in respect of such amalgamation, provided that the directors of the Company may delay the delivery of such articles of amalgamation or revoke this resolution if they, in their sole discretion, deem it to be in the best interests of the Company to do so."

The undersigned, Richard B. Carty, Corporate Secretary of 1865164 Ontario Limited, hereby certifies that the foregoing is a true copy of a resolution passed by the sole director on December 2, 2013, which remains in full force and effect, unamended, as of the date hereof.

DATED at Toronto, this 2nd day of December, 2013.



Richard B. Carty
Corporate Secretary

SCHEDULE B

2351406 ONTARIO INC.

"AMALGAMATION"

WHEREAS subsection 177(1) of the *Ontario Business Corporations Act* permits the director of the Company to approve an amalgamation of the Company with its holding corporation;

NOW THEREFORE BE IT RESOLVED THAT:

1. the amalgamation of the Company with its parent, E-L Financial Corporation Limited ("E-L Financial"), and another of E-L Financial's wholly-owned subsidiaries, 1865164 Ontario Limited, is hereby authorized and approved;
2. upon the amalgamation being effective the shares of the Company shall be cancelled without repayment of capital in respect thereof;
3. no securities shall be issued by the amalgamated company in connection with the amalgamation and the stated capital of the amalgamated company shall be the same as the stated capital of E-L Financial;
4. the Articles of Amalgamation shall be the same as the articles of the E-L Financial;
5. Articles of Amalgamation in the form annexed hereto as Schedule A are hereby approved; and
6. any one of the directors or officers of the Company be and is hereby authorized and directed for and on behalf of the Company to take all acts and proceedings and to do all things and execute all instruments and documents as may be necessary or desirable in connection with the said amalgamation including, without limitation, to send to the Director appointed under the Act articles of amalgamation in the form prescribed under such Act in respect of such amalgamation, provided that the directors of the Company may delay the delivery of such articles of amalgamation or revoke this resolution if they, in their sole discretion, deem it to be in the best interests of the Company to do so."

The undersigned, Richard B. Carty, Corporate Secretary of 2351406 Ontario Inc., hereby certifies that the foregoing is a true copy of a resolution passed by the sole director on December 2, 2013, which remains in full force and effect, unamended, as of the date hereof.

DATED at Toronto, this 2nd day of December, 2013.



Richard B. Carty
Corporate Secretary