

## **TABLE OF CONTENTS**

### ***BUSINESS CORPORATIONS ACT***

#### **ARTICLES**

**of**

### **CAPSTONE INFRASTRUCTURE CORPORATION**

**Page**

#### **PART 1 INTERPRETATION**

1.1	Definitions.....	1
1.2	<i>Business Corporations Act</i> and <i>Interpretation Act</i> Definitions Applicable.....	1

#### **PART 2 SHARES AND SHARE CERTIFICATES**

2.1	Authorized Share Structure.....	1
2.2	Form of Share Certificate.....	2
2.3	Shareholder Entitled to Certificate or Acknowledgement.....	2
2.4	Delivery by Mail.....	2
2.5	Replacement of Worn Out or Defaced Certificate or Acknowledgement.....	2
2.6	Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement .....	2
2.7	Splitting Share Certificates.....	2
2.8	Certificate Fee.....	3
2.9	Recognition of Trusts.....	3

#### **PART 3 ISSUE OF SHARES**

3.1	Directors Authorized.....	3
3.2	Commissions and Discounts.....	3
3.3	Brokerage.....	3
3.4	Conditions of Issue.....	3
3.5	Share Purchase Warrants and Rights .....	4

#### **PART 4 SHARE REGISTERS**

4.1	Central Securities Register.....	4
4.2	Closing Register.....	4

**PART 5  
SHARE TRANSFERS**

5.1	Registering Transfers. ....	4
5.2	Form of Instrument of Transfer. ....	4
5.3	Transferor Remains Shareholder. ....	4
5.4	Signing of Instrument of Transfer.....	5
5.5	Enquiry as to Title Not Required. ....	5
5.6	Transfer Fee. ....	5

**PART 6  
TRANSMISSION OF SHARES**

6.1	Legal Personal Representative Recognized on Death. ....	5
6.2	Rights of Legal Personal Representative. ....	5

**PART 7  
PURCHASE OF SHARES**

7.1	Company Authorized to Purchase Shares.....	6
7.2	Purchase When Insolvent.....	6
7.3	Sale and Voting of Purchased Shares. ....	6

**PART 8  
BORROWING POWERS**

8.1	Borrowing Powers. ....	6
-----	------------------------	---

**PART 9  
ALTERATIONS**

9.1	Alteration of Authorized Share Structure .....	7
9.2	Special Rights and Restrictions. ....	7
9.3	Change of Name. ....	7
9.4	Other Alterations.....	7

**PART 10  
MEETINGS OF SHAREHOLDERS**

10.1	Annual General Meetings. ....	8
10.2	Resolution Instead of Annual General Meeting.....	8
10.3	Calling of and Location of Meetings of Shareholders. ....	8
10.4	Notice for Meetings of Shareholders. ....	8
10.5	Record Date for Notice.....	8
10.6	Record Date for Voting.....	9
10.7	Failure to Give Notice and Waiver of Notice. ....	9
10.8	Notice of Special Business at Meetings of Shareholders.....	9

**PART 11**  
**PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

11.1	Special Business.....	9
11.2	Special Majority.....	10
11.3	Quorum.....	10
11.4	One Shareholder May Constitute Quorum.....	10
11.5	Other Persons May Attend.....	10
11.6	Requirement of Quorum.....	10
11.7	Lack of Quorum.....	11
11.8	Lack of Quorum at Succeeding Meeting.....	11
11.9	Chair.....	11
11.10	Selection of Alternate Chair.....	11
11.11	Adjournments.....	11
11.12	Notice of Adjourned Meeting.....	11
11.13	Decisions by Show of Hands or Poll.....	11
11.14	Declaration of Result.....	12
11.15	Motion Need Not be Seconded.....	12
11.16	Casting Vote.....	12
11.17	Manner of Taking Poll.....	12
11.18	Demand for Poll on Adjournment.....	12
11.19	Chair Must Resolve Dispute.....	12
11.20	Casting of Votes.....	12
11.21	Demand for Poll.....	12
11.22	Demand for Poll Not to Prevent Continuance of Meeting.....	13
11.23	Retention of Ballots and Proxies.....	13
11.24	Meetings by Telephone or Other Communications Medium.....	13

**PART 12**  
**VOTES OF SHAREHOLDERS**

12.1	Number of Votes by Shareholder or by Shares.....	13
12.2	Votes of Persons in Representative Capacity.....	13
12.3	Votes by Joint Holders.....	13
12.4	Legal Personal Representatives as Joint Shareholders.....	14
12.5	Representative of a Corporate Shareholder.....	14
12.6	Proxy Provisions Do Not Apply to All Companies.....	14
12.7	Appointment of Proxy Holders.....	15
12.8	Alternate Proxy Holders.....	15
12.9	When Proxy Holder Need Not Be Shareholder.....	15
12.10	Deposit of Proxy.....	15
12.11	Validity of Proxy Vote.....	15
12.12	Form of Proxy.....	16
12.13	Revocation of Proxy.....	16
12.14	Revocation of Proxy Must Be Signed.....	16
12.15	Production of Evidence of Authority to Vote.....	17

**PART 13**  
**DIRECTORS**

13.1	First Directors; Number of Directors.....	17
13.2	Change in Number of Directors.....	17
13.3	Directors' Acts Valid Despite Vacancy.....	17
13.4	Qualifications of Directors.....	18
13.5	Remuneration of Directors.....	18
13.6	Reimbursement of Expenses of Directors.....	18
13.7	Special Remuneration for Directors.....	18
13.8	Gratuity, Pension or Allowance on Retirement of Director. ....	18

**PART 14**  
**ELECTION AND REMOVAL OF DIRECTORS**

14.1	Election at Annual General Meeting.....	18
14.2	Consent to be a Director. ....	18
14.3	Failure to Elect or Appoint Directors.....	19
14.4	Places of Retiring Directors Not Filled.....	19
14.5	Directors May Fill Casual Vacancies. ....	19
14.6	Remaining Directors Power to Act.....	19
14.7	Shareholders May Fill Vacancies. ....	19
14.8	Additional Directors.....	20
14.9	Ceasing to be a Director.....	20
14.10	Removal of Director by Shareholders.....	20
14.11	Removal of Director by Directors.....	20

**PART 15**  
**POWERS AND DUTIES OF DIRECTORS**

15.1	Powers of Management.....	20
15.2	Appointment of Attorney of Company.....	21

**PART 16**  
**DISCLOSURE OF INTEREST OF DIRECTORS**

16.1	Obligation to Account for Profits. ....	21
16.2	Restrictions on Voting by Reason of Interest. ....	21
16.3	Interested Director Counted in Quorum. ....	21
16.4	Disclosure of Conflict of Interest or Property.....	21
16.5	Director Holding Other Office in the Company. ....	21
16.6	No Disqualification. ....	22
16.7	Professional Services by Director or Officer. ....	22
16.8	Director or Officer in Other Corporations. ....	22

**PART 17**  
**PROCEEDINGS OF DIRECTORS**

17.1	Meetings of Directors. ....	22
17.2	Voting at Meetings.....	22

17.3	Chair of Meetings. ....	22
17.4	Meetings by Telephone or Other Communications Medium .....	23
17.5	Calling of Meetings.....	23
17.6	Notice of Meetings.....	23
17.7	When Notice Not Required.....	23
17.8	Meeting Valid Despite Failure to Give Notice. ....	23
17.9	Waiver of Notice of Meetings.....	23
17.10	Quorum. ....	24
17.11	Validity of Acts Where Appointment Defective. ....	24
17.12	Consent Resolutions in Writing.....	24

## PART 18 EXECUTIVE AND OTHER COMMITTEES

18.1	Appointment and Powers of Executive Committee.....	24
18.2	Appointment and Powers of Other Committees. ....	24
18.3	Obligations of Committees. ....	25
18.4	Powers of Board.....	25
18.5	Committee Meetings.....	25

## PART 19 OFFICERS

19.1	Directors May Appoint Officers. ....	26
19.2	Functions, Duties and Powers of Officers. ....	26
19.3	Qualifications. ....	26
19.4	Remuneration and Terms of Appointment. ....	26

## PART 20 INDEMNIFICATION

20.1	Definitions.....	26
20.2	Mandatory Indemnification of Directors and Former Directors.....	27
20.3	Indemnification of Other Persons. ....	27
20.4	Non-Compliance with <i>Business Corporations Act</i> . ....	27
20.5	Company May Purchase Insurance.....	27

## PART 21 DIVIDENDS

21.1	Payment of Dividends Subject to Special Rights. ....	27
21.2	Declaration of Dividends. ....	27
21.3	No Notice Required. ....	27
21.4	Record Date. ....	28
21.5	Manner of Paying Dividend.....	28
21.6	Settlement of Difficulties.....	28
21.7	When Dividend Payable. ....	28
21.8	Dividends to be Paid in Accordance with Number of Shares.....	28
21.9	Receipt by Joint Shareholders.....	28

21.10	Dividend Bears No Interest.....	28
21.11	Fractional Dividends.....	28
21.12	Payment of Dividends.....	28
21.13	Capitalization of Surplus.....	29

**PART 22**  
**DOCUMENTS, RECORDS AND REPORTS**

22.1	Recording of Financial Affairs. ....	29
22.2	Inspection of Accounting Records.....	29

**PART 23**  
**NOTICES**

23.1	Method of Giving Notice. ....	29
23.2	Deemed Receipt of Mailing .....	30
23.3	Certificate of Sending. ....	30
23.4	Notice to Joint Shareholders. ....	30
23.5	Notice to Trustees. ....	30

**PART 24**  
**SEAL AND EXECUTION OF DOCUMENTS**

24.1	Who May Attest Seal. ....	30
24.2	Sealing Copies. ....	31
24.3	Mechanical Reproduction of Seal.....	31
24.4	Execution of Documents Generally .....	31

**PART 25**  
**RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS**  
**ATTACHED TO THE COMMON SHARES**

25.1	Voting Rights .....	31
25.2	Dividends. ....	32
25.3	Dissolution. ....	32

**PART 26**  
**RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS**  
**ATTACHED TO THE PREFERRED SHARES**

26.1	Issuance in One or More Series. ....	32
26.2	Terms of Each Series. ....	32
26.3	<i>Pari Passu</i> Ranking on Dividends and Return of Capital. ....	33
26.4	Rateable Participation. ....	33

**PART 27**  
**NUMBER AND DESIGNATION OF AND RIGHTS, PRIVILEGES, RESTRICTIONS**  
**AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES A**

27.1	Dividends. ....	34
27.2	Redemption. ....	36
27.3	Conversion of Series A Shares. ....	37
27.4	Restrictions on Dividends and Retirement Shares. ....	40
27.5	Purchase for Cancellation. ....	41
27.6	Liquidations, Dissolution or Winding-Up. ....	41
27.7	Voting Rights. ....	41
27.8	Limitations on Right to Class/Series Vote. ....	42
27.9	Modifications. ....	42
27.10	Approval of Holders. ....	42
27.11	Tax Election. ....	43
27.12	Communications with Holders. ....	43
27.13	Interpretations. ....	44
27.14	Book-Entry Only System. ....	47

**PART 28**  
**NUMBER AND DESIGNATION OF AND RIGHTS, PRIVILEGES, RESTRICTIONS**  
**AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES B**

28.1	Dividends. ....	48
28.2	Redemption. ....	50
28.3	Conversion of Series B Shares. ....	51
28.4	Restrictions on Dividends and Retirement Shares. ....	54
28.5	Purchase for Cancellation. ....	55
28.6	Liquidations, Dissolution or Winding-Up. ....	55
28.7	Voting Rights. ....	55
28.8	Limitations on Right to Class/Series Vote. ....	56
28.9	Modifications. ....	56
28.10	Approval of Holders. ....	56
28.11	Tax Election. ....	57
28.12	Communications with Holders. ....	57
28.13	Interpretations. ....	58
28.14	Book-Entry Only System. ....	61

~~Certificate of Incorporation No. BC0881592~~

Certificate of Amalgamation No. BC1073868

**BUSINESS CORPORATIONS ACT**

**ARTICLES**

**of**

**CAPSTONE INFRASTRUCTURE CORPORATION**

**PART 1**

**INTERPRETATION**

**1.1 Definitions.** In these Articles, unless the context otherwise requires:

“board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;

“*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

“legal personal representative” means the personal or other legal representative of the shareholder;

“registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;

“seal” means the seal of the Company, if any.

**1.2 *Business Corporations Act and Interpretation Act Definitions Applicable.*** The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

**PART 2**

**SHARES AND SHARE CERTIFICATES**

**2.1 Authorized Share Structure.** The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.



**2.2 Form of Share Certificate.** Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

**2.3 Shareholder Entitled to Certificate or Acknowledgement.** Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

**2.4 Delivery by Mail.** Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

**2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement.** If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgement, as the case may be.

**2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement.** If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

**2.7 Splitting Share Certificates.** If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

**2.8 Certificate Fee.** There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

**2.9 Recognition of Trusts.** Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

### **PART 3 ISSUE OF SHARES**

**3.1 Directors Authorized.** Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

**3.2 Commissions and Discounts.** The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

**3.3 Brokerage.** The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

**3.4 Conditions of Issue.** Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

**3.5 Share Purchase Warrants and Rights.** Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

#### **PART 4 SHARE REGISTERS**

**4.1 Central Securities Register.** As required by and subject to the *Business Corporations Act*, the Company must maintain, at its registered office or such other place designated by the directors, a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

**4.2 Closing Register.** The Company must not at any time close its central securities register.

#### **PART 5 SHARE TRANSFERS**

**5.1 Registering Transfers.** A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

**5.2 Form of Instrument of Transfer.** The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

**5.3 Transferor Remains Shareholder.** Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

**5.4 Signing of Instrument of Transfer.** If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

**5.5 Enquiry as to Title Not Required.** Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

**5.6 Transfer Fee.** There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **PART 6 TRANSMISSION OF SHARES**

**6.1 Legal Personal Representative Recognized on Death.** In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

**6.2 Rights of Legal Personal Representative.** The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

## **PART 7 PURCHASE OF SHARES**

**7.1 Company Authorized to Purchase Shares.** Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

**7.2 Purchase When Insolvent.** The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

**7.3 Sale and Voting of Purchased Shares.** If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

## **PART 8 BORROWING POWERS**

**8.1 Borrowing Powers.** The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **PART 9 ALTERATIONS**

**9.1 Alteration of Authorized Share Structure.** Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

**9.2 Special Rights and Restrictions.** Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

**9.3 Change of Name.** The Company may by director resolution authorize an alteration of its Notice of Articles in order to change its name.

**9.4 Other Alterations.** If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

## PART 10 MEETINGS OF SHAREHOLDERS

**10.1 Annual General Meetings.** Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

**10.2 Resolution Instead of Annual General Meeting.** If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

**10.3 Calling of and Location of Meetings of Shareholders.** The directors may, whenever they think fit, call a meeting of shareholders which meeting may be held in any location in Canada.

**10.4 Notice for Meetings of Shareholders.** The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

**10.5 Record Date for Notice.** The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.6 Record Date for Voting.** The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**10.7 Failure to Give Notice and Waiver of Notice.** The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

**10.8 Notice of Special Business at Meetings of Shareholders.** If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) at the Company's records office, or at such other reasonably accessible location in Canada, as is specified in the notice; and
  - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **PART 11**

### **PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

**11.1 Special Business.** At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;



- (iii) consideration of any reports of the directors or auditor;
- (iv) the setting or changing of the number of directors;
- (v) the election or appointment of directors;
- (vi) the appointment of an auditor;
- (vii) the setting of the remuneration of an auditor;
- (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

**11.2 Special Majority.** The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

**11.3 Quorum.** Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the meeting.

**11.4 One Shareholder May Constitute Quorum.** If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

**11.5 Other Persons May Attend.** The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

**11.6 Requirement of Quorum.** No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

**11.7 Lack of Quorum.** If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

**11.8 Lack of Quorum at Succeeding Meeting.** If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

**11.9 Chair.** The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

**11.10 Selection of Alternate Chair.** If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

**11.11 Adjournments.** The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**11.12 Notice of Adjourned Meeting.** It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

**11.13 Decision by Show of Hands or Poll.** Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

**11.14 Declaration of Result.** The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.15 Motion Need Not be Seconded.** No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**11.16 Casting Vote.** In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.17 Manner of Taking Poll.** Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it

**11.18 Demand for Poll on Adjournment.** A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**11.19 Chair Must Resolve Dispute.** In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

**11.20 Casting of Votes.** On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**11.21 Demand for Poll.** No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**11.22 Demand for Poll Not to Prevent Continuance of Meeting.** The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**11.23 Retention of Ballots and Proxies.** The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

**11.24 Meeting by Telephone or Other Communications Medium.** A shareholder or proxy holder may participate in a meeting of the shareholders in person or by telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder or proxy holder may participate in a meeting of the shareholders by a communications medium other than telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all shareholders or proxy holders who wish to participate in the meeting agree to such participation. A shareholder or proxy holder who participates in a meeting in a manner contemplated by this Article 11.24 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

## **PART 12 VOTES OF SHAREHOLDERS**

**12.1 Number of Votes by Shareholder or by Shares.** Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

**12.2 Votes of Persons in Representative Capacity.** A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

**12.3 Votes by Joint Holders.** If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

**12.4 Legal Personal Representatives as Joint Shareholders.** Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

**12.5 Representative of a Corporate Shareholder.** If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
  - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
  - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.6 Proxy Provisions Do Not Apply to All Companies.** Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company.

**12.7 Appointment of Proxy Holders.** Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

**12.8 Alternate Proxy Holders.** A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

**12.9 When Proxy Holder Need Not Be Shareholder.** A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

**12.10 Deposit of Proxy.** A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.11 Validity of Proxy Vote.** A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

**12.12 Form of Proxy.** A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*[Name of Company]*  
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): \_\_\_\_\_.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Signature of shareholder)

\_\_\_\_\_  
(Name of shareholder - printed)

**12.13 Revocation of Proxy.** Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

**12.14 Revocation of Proxy Must Be Signed.** An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

**12.15 Production of Evidence of Authority to Vote.** The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

### **PART 13 DIRECTORS**

**13.1 First Directors; Number of Directors.** The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4.

**13.2 Change in Number of Directors.** If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; and
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

**13.3 Directors' Acts Valid Despite Vacancy.** An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.



**13.4 Qualifications of Directors.** A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

**13.5 Remuneration of Directors.** The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

**13.6 Reimbursement of Expenses of Directors.** The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

**13.7 Special Remuneration for Directors.** If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

**13.8 Gratuity, Pension or Allowance on Retirement of Director.** Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **PART 14 ELECTION AND REMOVAL OF DIRECTORS**

**14.1 Election at Annual General Meeting.** At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

**14.2 Consent to be a Director.** No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

**14.3 Failure to Elect or Appoint Directors. If:**

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

**14.4 Places of Retiring Directors Not Filled.** If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

**14.5 Directors May Fill Casual Vacancies.** Any casual vacancy occurring in the board of directors may be filled by the directors.

**14.6 Remaining Directors Power to Act.** The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

**14.7 Shareholders May Fill Vacancies.** If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

**14.8 Additional Directors.** Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment

**14.9 Ceasing to be a Director.** A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

**14.10 Removal of Director by Shareholders.** The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

**14.11 Removal of Director by Directors.** The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

## PART 15 POWERS AND DUTIES OF DIRECTORS

**15.1 Powers of Management.** The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

**15.2 Appointment of Attorney of Company.** The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **PART 16**

### **DISCLOSURE OF INTEREST OF DIRECTORS**

**16.1 Obligation to Account for Profits.** A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

**16.2 Restrictions on Voting by Reason of Interest.** A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

**16.3 Interested Director Counted in Quorum.** A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

**16.4 Disclosure of Conflict of Interest or Property.** A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

**16.5 Director Holding Other Office in the Company.** A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

**16.6 No Disqualification.** No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

**16.7 Professional Services by Director or Officer.** Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

**16.8 Director or Officer in Other Corporations.** A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **PART 17 PROCEEDINGS OF DIRECTORS**

**17.1 Meetings of Directors.** The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

**17.2 Voting at Meetings.** Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

**17.3 Chair of Meetings.** The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

**17.4 Meetings by Telephone or Other Communications Medium.** A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

**17.5 Calling of Meetings.** A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

**17.6 Notice of Meetings.** Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, and unless notice of meetings is waived, each director must be given 48 hours notice of each meeting of the directors, by any method set out in Article 23.1 or orally or by telephone, specifying the place, day and time of that meeting.

**17.7 When Notice Not Required.** It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director has waived notice of the meeting.

**17.8 Meeting Valid Despite Failure to Give Notice.** The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

**17.9 Waiver of Notice of Meetings.** Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to such director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

**17.10 Quorum.** The quorum necessary for the transaction of the business of the directors is 50%.

**17.11 Validity of Acts Where Appointment Defective.** Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

**17.12 Consent Resolutions in Writing.** A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **PART 18 EXECUTIVE AND OTHER COMMITTEES**

**18.1 Appointment and Powers of Executive Committee.** The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

**18.2 Appointment and Powers of Other Committees.** The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

- (i) the power to fill vacancies in the board of directors;
  - (ii) the power to remove a director;
  - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

**18.3 Obligations of Committees.** Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

**18.4 Powers of Board.** The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

**18.5 Committee Meetings.** Subject to Article 18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.



## **PART 19 OFFICERS**

**19.1 Directors May Appoint Officers.** The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

**19.2 Functions, Duties and Powers of Officers.** The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

**19.3 Qualifications.** No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

**19.4 Remuneration and Terms of Appointment.** All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **PART 20 INDEMNIFICATION**

**20.1 Definitions.** In this Article 20:

- (a) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:
  - (i) is or may be joined as a party; or
  - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

**20.2 Mandatory Indemnification of Directors and Former Directors.** Subject to the *Business Corporations Act*, the Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

**20.3 Indemnification of Other Persons.** Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

**20.4 Non-Compliance with *Business Corporations Act*.** The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

**20.5 Company May Purchase Insurance.** The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, officer, employee or agent of the Company;
- (b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

## PART 21 DIVIDENDS

**21.1 Payment of Dividends Subject to Special Rights.** The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

**21.2 Declaration of Dividends.** Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

**21.3 No Notice Required.** The directors need not give notice to any shareholder of any declaration under Article 21.2.

**21.4 Record Date.** The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

**21.5 Manner of Paying Dividend.** A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

**21.6 Settlement of Difficulties.** If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

**21.7 When Dividend Payable.** Any dividend may be made payable on such date as is fixed by the directors.

**21.8 Dividends to be Paid in Accordance with Number of Shares.** All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

**21.9 Receipt by Joint Shareholders.** If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

**21.10 Dividend Bears No Interest.** No dividend bears interest against the Company.

**21.11 Fractional Dividends.** If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

**21.12 Payment of Dividends.** Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is

not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

**21.13 Capitalization of Surplus.** Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

## **PART 22 DOCUMENTS, RECORDS AND REPORTS**

**22.1 Recording of Financial Affairs.** The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

**22.2 Inspection of Accounting Records.** Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## **PART 23 NOTICES**

**23.1 Method of Giving Notice.** Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

- (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

**23.2 Deemed Receipt of Mailing.** A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

**23.3 Certificate of Sending.** A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

**23.4 Notice to Joint Shareholders.** A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

**23.5 Notice to Trustees.** A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

## PART 24 SEAL AND EXECUTION OF DOCUMENTS

**24.1 Who May Attest Seal.** Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

**24.2 Sealing Copies.** For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

**24.3 Mechanical Reproduction of Seal.** The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

**24.4 Execution of Documents Generally.** The Directors may from time to time by resolution appoint any one or more persons, officers or Directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or Director is appointed, then any one officer or Director of the Company may execute such instrument, document or agreement.

## **PART 25**

### **RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO THE COMMON SHARES**

The common shares of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

**25.1 Voting Rights.** The holders of the common shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have one (1) vote for each common share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

**25.2 Dividends.** The holders of the common shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company.

**25.3 Dissolution.** In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares, be entitled to receive the remaining property of the Company.

**PART 26**  
**RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS**  
**ATTACHED TO THE PREFERRED SHARES**

The preferred shares of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

**26.1 Issuance in One or More Series.** The preferred shares of the Company may at any time and from time to time be issued in one or more series, provided that the aggregate number of preferred shares that may be issued at any particular time is limited to 50% of the number of common shares outstanding at the time of such issuance less the number of preferred shares of all series outstanding at the time of such issuance.

**26.2 Terms of Each Series.** Subject to the *Business Corporations Act*, the directors may from time to time, by resolution, if none of the preferred shares of any particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of:

- (a) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number (subject to the restriction on issuance in Section 26.1), or alter any such determination;
- (b) create an identifying name for the shares of that series, or alter any such identifying name;
- (c) attach special rights or restrictions to the shares of that series, including, but without limiting or restricting the generality of the foregoing, the rate or amount of dividends (whether cumulative, non-cumulative or partially cumulative), the dates and places of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof (including redemption after a fixed term or at a premium), conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Company and voting rights and restrictions; or alter any such special rights or restrictions.

**26.3** *Pari Passu Ranking on Dividends and Return of Capital.* In respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of preferred shares being entitled to a return of capital):

- (a) the preferred shares shall have priority over the common shares in the capital of the Company and over any other shares of the Company ranking junior to the preferred shares in respect of such payment;
- (b) the preferred shares shall rank junior to any other shares of the Company ranking senior to the preferred shares in respect of such payment; and
- (c) no special rights or restrictions attached to a series of preferred shares shall confer upon a series priority over any other series of preferred shares then outstanding.

**26.4** *Rateable Participation.* If cumulative dividends in respect of a series of preferred shares are not paid in full, the shares of all series of preferred shares shall participate rateably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full. If amounts payable on a winding up, or on the occurrence of any other event that would result in the holders of all series of preferred shares being entitled to a return of capital, are not paid in full, the shares of all series of preferred shares shall participate rateably in a return of capital in respect of the class in accordance with the amounts that would be payable on the return of capital if all amounts so payable were paid in full.

MACQUARIE POWER MANAGEMENT  
LTD., acting as agent for and on behalf of  
the trustees of **MACQUARIE POWER &  
INFRASTRUCTURE INCOME FUND**

By: \_\_\_\_\_

Authorized Signatory

DATED December 31, 2010.

By: \_\_\_\_\_

Authorized Signatory



## PART 27

### **NUMBER AND DESIGNATION OF AND RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES A**

The first series of preferred shares of the Corporation ("**Preferred Shares**") shall consist of up to 3,450,000 Preferred Shares which shall be designated as "Cumulative 5-Year Rate Reset Preferred Shares, Series A" (hereinafter referred to as the "**Series A Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **27.1 Dividends**

##### **27.1.1 Payment of Dividends**

Holders of Series A Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed, cumulative, preferential cash dividends (the "**Series A Dividends**") payable quarterly on the last day of January, April, July and October (each, a "**Dividend Payment Date**") at the rates herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

- (a) During the Initial Fixed Rate Period, the Series A Dividends payable on the Series A Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate multiplied by \$25.00, and shall be payable in equal quarterly amounts (other than the payment for the Initial Dividend Period) on each Dividend Payment Date. The initial Series A Dividend will be payable on October 31, 2011 and will be an amount determined as provided in Section 27.1.4(a). On each Dividend Payment Date during the Initial Fixed Rate Period (other than October 31, 2011), the Series A Dividend will be \$0.3125 per share.
- (b) During each Subsequent Fixed Rate Period, Series A Dividends payable on the Series A Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00, and shall be payable in equal quarterly amounts on each Dividend Payment Date in each year during such Subsequent Fixed Rate Period.
- (c) The Corporation will calculate, on each Fixed Rate Calculation Date, the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

### **27.1.2 Method of Payment**

The Corporation shall pay Series A Dividends (less any tax required to be deducted and withheld by the Corporation), except in case of redemption or conversion in which case payment of Series A Dividends shall, subject to the provisions of Section 27.14, be made on surrender of the certificate, if any, representing the Series A Shares to be redeemed or converted, by electronic funds transfer or by sending to each Holder (in the manner provided for in Section 27.12) a cheque for such Series A Dividends payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The making of such payment or the posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's 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 Corporation.

### **27.1.3 Cumulative Payment of Dividends**

If on any Dividend Payment Date, the Series A Dividends accrued to such date are not paid in full on all of the Series A Shares then outstanding, such Series A Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient moneys properly applicable to the payment of such Series A Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series A Dividends.

### **27.1.4 Dividend for Other than a Full Dividend Period**

The Holders shall be entitled to receive, and the Corporation shall pay, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, Series A Dividends for any period which is more or less than a full Dividend Period as follows:

- (a) in respect of the period beginning on and including the Issue Date up to, but excluding, October 31, 2011 (the "**Initial Dividend Period**"), a dividend in an amount per Series A Share equal to the amount obtained (rounded to five decimal places) when \$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the Issue Date up to, but excluding, October 31, 2011 and the denominator of which is 365. The Series A Dividend payable for the Initial Dividend Period, as calculated by this method, will be \$0.4212 per Series A Share (if the Issue Date is June 30, 2011); and

- (b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series A Share equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Dividend Rate and \$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

## **27.2 Redemption**

### **27.2.1 Optional Redemption**

The Corporation may not redeem any of the Series A Shares prior to July 31, 2016. On July 31, 2016 and on July 31 every five years thereafter (each, a “**Series A Conversion Date**”), the Corporation may, subject to the terms of any shares ranking prior to the Series A Shares, to applicable law and to the provisions described in Section 27.4 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series A Shares by the payment of an amount in cash for each such Series A Share so redeemed equal to \$25.00, together with all accrued and unpaid Series A Dividends up to, but excluding, the date fixed for redemption (the “**Redemption Price**”) (less any tax required to be deducted and withheld by the Corporation).

### **27.2.2 Partial Redemption**

If less than all of the then outstanding Series A Shares are at any time to be redeemed, then the particular Series A Shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series A Shares are at such time listed on a stock exchange, with the consent of the applicable stock exchange, in such other manner as the directors of the Corporation in their sole discretion may, by resolution, determine.

### **27.2.3 Method of Redemption**

The Corporation shall give notice in writing, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption of any Series A Shares, that it is redeeming Series A Shares pursuant to Section 27.2.1 hereof to each person who at the date of giving such notice is the Holder of Series A Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series A Shares to be redeemed in the manner provided for in Section 27.12. Such notice shall set out the number of such Series A Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the applicable Holders the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series A Shares so called for redemption, if any, subject to the provisions of Section 27.14. Such payment shall be made by electronic funds transfer or by cheque in the amount of the Redemption Price (less any tax required to be

deducted and withheld by the Corporation) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the making of such payment or the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series A Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series A Shares called for redemption shall cease to be entitled to Series A Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by or on behalf of the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series A Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, if any, subject to the provisions of Section 27.14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to the applicable Series A Shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption moneys that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

## **27.3 Conversion of Series A Shares**

### **27.3.1 Conversion at the Option of the Holder**

- (a) Subject to applicable law and the terms and provisions hereof, each Holder will have the right, at its option, on each Series A Conversion Date, to convert all, or any part of, the then outstanding Series A Shares registered in the name of the Holder into Cumulative Floating Rate Preferred Shares, Series B of the Corporation (the "**Series B Shares**") on the basis of one (1) Series B Share for each Series A Share converted. The Corporation shall provide written notice not less than thirty (30) and not more than sixty (60) days prior to the applicable Series A Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series A Conversion Date, and (ii) include instructions to such Holders as to the method by

which such Conversion Privilege may be exercised, as described in Section 27.3.3. On the 30<sup>th</sup> day prior to each Series A Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series A Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series B Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

- (b) If the Corporation gives notice to the Holders, as provided in Section 27.2, of the redemption of all the Series A Shares, the Corporation will not be required to give notice to the Holders, as provided in this Section 27.3.1, of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series A Shares as herein provided shall cease and terminate in that event.
- (c) Holders shall not be entitled to convert their Series A Shares into Series B Shares on a Series A Conversion Date if the Corporation determines that there would remain outstanding on the Series A Conversion Date less than 1,000,000 Series B Shares after taking into account all Series A Shares tendered for conversion into Series B Shares and all Series B Shares tendered for conversion into Series A Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series A Conversion Date and, subject to the provisions of Section 27.14, shall issue and deliver, or cause to be delivered, prior to such Series A Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series A Shares, new certificates representing the Series A Shares represented by any certificate or certificates surrendered as aforesaid.

### **27.3.2 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series A Conversion Date less than 1,000,000 Series A Shares after taking into account all Series A Shares tendered for conversion into Series B Shares and all Series B Shares tendered for conversion into Series A Shares, then, all, but not part, of the remaining outstanding Series A Shares shall automatically be converted into Series B Shares on the basis of one (1) Series B Share for each Series A Share on the applicable Series A Conversion Date. The Corporation shall give notice in writing thereof to the Holders of such remaining Series A Shares at least seven (7) days prior to the Series A Conversion Date.

### **27.3.3 Manner of Conversion**

- (a) Subject to the provisions of Section 27.14, the Conversion Privilege may be exercised by notice in writing (an "Election Notice") given not earlier than the 30<sup>th</sup> day prior to a Series A Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series A Conversion Date during

usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 27.3.3; and (2) the certificate or certificates, if any, representing the Series A Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series A Shares represented by such certificate or certificates and that have not been called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate, representing the Series A Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

- (b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series A Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 27.3.2).
- (c) In the event the Corporation is required to convert all remaining outstanding Series A Shares into Series B Shares on the applicable Series A Conversion Date as provided for in Section 27.3.2, the Series A Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series A Conversion Date into Series B Shares and the Holders thereof shall be deemed to be holders of Series B Shares at 5:00 p.m. (Toronto time) on the Series A Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates, if any, representing Series A Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series B Shares in the manner and subject to the terms and provisions as provided in this Section 27.3.3 and Section 27.14.
- (d) Subject to the provisions of Section 27.14, as promptly as practicable after the Series A Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series A Shares so surrendered in accordance with this Section 27.3, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully paid and non-assessable Series B Shares and the number of remaining Series A Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series A Conversion Date, so that the rights of the Holder of such Series A Shares as the Holder thereof shall cease at such time and the

person or persons entitled to receive the Series B Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series B Shares at such time.

- (e) The Holder of any Series A Share on the record date for any Series A Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into a Series B Share after such record date and on or before the date of the payment of such dividend.
- (f) Subject to the provisions of Section 27.14, the issuance of certificates for the Series B Shares upon the conversion of Series A Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series B Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series B Shares are issued in respect of the issuance of such Series B Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### **27.3.4 Right Not to Deliver Series B Shares**

On the exercise of the Conversion Privilege by a Holder or an automatic conversion pursuant to Section 27.3.2, the Corporation reserves the right not to deliver Series B Shares to any Ineligible Person.

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

So long as any of the Series A Shares are outstanding, the Corporation shall not, without the approval of the Holders:

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

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

unless, in each such case, all accrued and unpaid dividends on the Series A Shares up to and including the Series A Dividend payable for the last completed Dividend Period and on all other shares of the Corporation ranking prior to or on a parity with the Series A Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

### **27.5 Purchase for Cancellation**

Subject to applicable law and to the provisions described in Section 27.4 above, the Corporation may at any time purchase for cancellation all or any number of the Series A Shares outstanding from time to time at any price in the open market (including purchases from or through an investment dealer or a firm holding membership on or that is a participant of a recognized stock exchange) or by tender available to all Holders or by private agreement or otherwise.

### **27.6 Liquidation, Dissolution or Winding-Up**

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

### **27.7 Voting Rights**

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight (8) quarterly Series A Dividends whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the



event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote in respect of each Series A Share held by such Holder. No other voting rights shall attach to the Series A Shares in any circumstances. Upon payment of the entire amount of all Series A Dividends in arrears, the voting rights of the Holders shall forthwith cease, unless and until the same default shall again arise under the provisions of this Section 27.7.

## **27.8 Limitations on Right to Class/Series Vote**

Subject to applicable law, Holders will not be entitled to vote separately as a class or series on a proposal to amend the Articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series A Shares or (b) create a new class or series of shares equal or superior to the Series A Shares.

## **27.9 Modifications**

These Series A Share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Business Corporations Act* (British Columbia), any such approval to be given in accordance with Section 27.10.

## **27.10 Approval of Holders**

### **27.10.1 Approval**

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

### **27.10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Articles of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each Series A Share held by such Holder.

### **27.11 Tax Election**

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

### **27.12 Communications with Holders**

Except as specifically provided elsewhere in these Series A Share provisions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

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

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

- (a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the Transfer Agent, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Corporation determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

## 27.13 Interpretation

### 27.13.1 Definitions

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Accrued and unpaid dividends”** means the aggregate of: (i) all unpaid Series A Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series A Dividends had been accruing on a day to day basis from and including the most recent Quarter End Date up to, but excluding, the date to which the computation of accrued dividends is to be made.

**“Annual Fixed Dividend Rate”** means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.71%.

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

**“Book-Entry Only System”** means the record book-entry only securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

**“Business Day”** means a day other than a Saturday, a Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario, for the transaction of banking business.

**“Conversion Privilege”** has the meaning attributed to it in Section 27.3.1(a).

**“Depository”** means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation.

**“Dividend Payment Date”** in respect of the dividends payable on the Series A Shares means the last day of each of January, April, July and October in each year.

**“Dividend Period”** means the period from and including the Issue Date up to, but excluding, October 31, 2011 and, thereafter, each period from and including the last calendar day (each, a **“Quarter End Date”**) of January, April, July and October in each year, to but excluding the next succeeding Quarter End Date.

**“Election Notice”** has the meaning attributed to it in Section 27.3.3.

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

**“Floating Quarterly Dividend Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.71% calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365.

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

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

**“Holder”** has the meaning attributed to it in Section 27.1.1.

**“Ineligible Person”** means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series A Shares or Series B Shares, as the case may be, would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

**“Initial Dividend Period”** has the meaning ascribed thereto in Section 27.1.4.

**“Initial Fixed Dividend Rate”** means 5.00% per annum.

**“Initial Fixed Rate Period”** means the period from and including the Issue Date to, but excluding, July 31, 2016.

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

**“Issue Date”** means the date on which Series A Shares are first issued.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period from and including July 31, 2016 up to, but excluding, October 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period up to, but excluding, the next succeeding Quarterly Period Commencement Date.

**“Quarterly Period Commencement Date”** means the last calendar day of each of January, April, July and October in each year.

**“Redemption Price”** has the meaning attributed to it in Section 27.2.1.

**“Series A Conversion Date”** has the meaning attributed to it in Section 27.2.1.

**“Series A Dividends”** has the meaning attributed to it in Section 27.1.1.

**“Series A Shares”** has the meaning attributed to it in the introductory paragraph to these Series A Share provisions.

**“Series B Shares”** has the meaning attributed to it in Section 27.3.1.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period from and including July 31, 2016 up to, but excluding, July 31, 2021 and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period up to, but excluding, July 31 in the fifth year thereafter.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series A Shares.

### **27.13.2 Interpretation of Terms**

In these Series A Share provisions:

- (a) in the event that any date on which any Series A Dividend is payable by the Corporation, or any date that is a Series A Conversion Date, or any date on or by which any other action is required to be taken or determination made by the Corporation or the Holders hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken or determination made, on or before the next succeeding day that is a Business Day;
- (b) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;
- (c) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series A Share provisions any amount required by law to be deducted or withheld from that payment and any reference herein to the Corporation deducting tax and remitting to a taxing authority shall be interpreted to include deducting any such amount required by law to be deducted or withheld and remitted to the applicable authorities;
- (d) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;
- (e) if it is necessary to convert any amount into Canadian dollars, the Corporation will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and
- (f) all references herein to a Holder shall be interpreted as referring to a registered Holder.

## **27.14 Book-Entry Only System**

### **27.14.1 Transfers etc. Through Participants**

If the Series A Shares are held through the Book-Entry Only System, then the beneficial owner thereof shall provide instructions with respect to Series A Shares only to the Depository participant through whom such beneficial owner holds such Series A Shares or otherwise through the Depository’s systems and registrations of ownership, transfers, purchases, surrenders.

and exchanges of Series A Shares will be made only through the Book-Entry Only System. Beneficial owners of Series A Shares will not have the right to receive share certificates representing their ownership of the Series A Shares.

#### **27.14.2          Depository is Registered Holder**

For the purposes of these Series A Share provisions, as long as the Depository, or its nominee, is the registered Holder of the Series A Shares, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series A Shares for the purpose of receiving notices or payments on or in respect of the Series A Shares, including payments of Series A Dividends, the Redemption Price or accrued and unpaid dividends, and the delivery of Series B Shares and certificates for those shares on the conversion into Series B Shares.

### **PART 28**

#### **NUMBER AND DESIGNATION OF AND RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES B**

The second series of preferred shares of the Corporation (“**Preferred Shares**”) shall consist of up to 3,450,000 Preferred Shares which shall be designated as “Cumulative Floating Rate Preferred Shares, Series B” (hereinafter referred to as the “**Series B Shares**”) and which, in addition to the rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **28.1      Dividends**

##### **28.1.1          Payment of Dividends**

Holders of Series B Shares (the “**Holders**”) shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, floating rate, cumulative, preferential cash dividends (the “**Series B Dividends**”) payable quarterly on the last day of January, April, July and October (each, a “**Dividend Payment Date**”), in the amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate for the applicable Quarterly Floating Rate Period by \$25.00 (a “**Quarterly Amount**”), by cheque at par in lawful money of Canada at any branch in Canada of the Corporation’s bankers for the time being or by any other reasonable means the Corporation deems desirable.

The Corporation will calculate, on each Floating Rate Calculation Date, the Floating Quarterly Dividend Rate for the applicable Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Corporation of the Floating Quarterly Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

### **28.1.2 Method of Payment**

The Corporation shall pay Series B Dividends (less any tax required to be deducted and withheld by the Corporation), except in case of redemption or conversion in which case payment of Series B Dividends shall, subject to the provisions of Section 28.14, be made on surrender of the certificate, if any, representing the Series B Shares to be redeemed or converted, by electronic funds transfer or by sending to each Holder (in the manner provided for in Section 28.12) a cheque for such Series B Dividends payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The making of such payment or the posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's 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 Corporation.

### **28.1.3 Cumulative Payment of Dividends**

If on any Dividend Payment Date, the Series B Dividends accrued to such date are not paid in full on all of the Series B Shares then outstanding, such Series B Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient moneys properly applicable to the payment of such Series B Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series B Dividends.

### **28.1.4 Dividend for Other than a Full Quarterly Floating Rate Period**

The Holders shall be entitled to receive, and the Corporation shall pay, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, Series B Dividends for any period which is less than a full Quarterly Floating Rate Period in an amount per share with respect to any Series B Share equal to the amount obtained (rounded to five decimal places) when the applicable Quarterly Amount is multiplied by a fraction of which the numerator is the number of days in such Quarterly Floating Rate Period that such share has been outstanding (excluding the date of payment or redemption or the effective date for the distribution of assets in connection with the liquidation, dissolution or winding-up of the Corporation) and the denominator is the total number of days in such Quarterly Floating Rate Period.



## 28.2 Redemption

### 28.2.1 Optional Redemption

The Corporation may not redeem any of the Series B Shares on or prior to July 31, 2016. The Corporation may, subject to the terms of any shares ranking prior to the Series B Shares, to applicable law and to the provisions described in Section 28.4 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series B Shares by the payment of an amount in cash for each such Series B Share so redeemed equal to:

- (a) \$25.00 in the case of redemptions on July 31, 2021 and on July 31 every five years thereafter (each, a “**Series B Conversion Date**”); or
- (b) \$25.50 in the case of redemptions on any date after July 31, 2016 which is not a Series B Conversion Date;

in each case together with all accrued and unpaid Series B Dividends up to, but excluding, the date fixed for redemption (the “**Redemption Price**”) (less any tax required to be deducted and withheld by the Corporation).

### 28.2.2 Partial Redemption

If less than all of the then outstanding Series B Shares are at any time to be redeemed, then the particular Series B Shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series B Shares are at such time listed on a stock exchange, with the consent of the applicable stock exchange, in such other manner as the directors of the Corporation in their sole discretion may, by resolution, determine.

### 28.2.3 Method of Redemption

The Corporation shall give notice in writing not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption of any Series B Shares, that it is redeeming Series B Shares pursuant to Section 28.2.1 hereof, to each person who at the date of giving such notice is the Holder of Series B Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series B Shares to be redeemed in the manner provided for in Section 28.12. Such notice shall set out the number of such Series B Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the applicable Holders the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series B Shares so called for redemption, if any, subject to the provisions of Section 28.14. Such payment shall be made by electronic funds transfer or by cheque in the amount of the Redemption Price (less any tax required to be deducted and withheld by the Corporation) payable at par at any branch in Canada of the

Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the making of such payment or the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series B Shares so called for redemption to the extent of the sum-represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series B Shares called for redemption shall cease to be entitled to Series B Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by or on behalf of the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series B Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, if any, subject to the provisions of Section 28.14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to the applicable Series B Shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption moneys that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

### **28.3 Conversion of Series B Shares**

#### **28.3.1 Conversion at the Option of the Holder**

- (a) Subject to applicable law and the terms and provisions hereof, each Holder will have the right, at its option, on each Series B Conversion Date, to convert all, or any part of, the then outstanding Series B Shares registered in the name of the Holder into Cumulative 5-Year Rate Reset Preferred Shares, Series A of the Corporation (the "**Series A Shares**") on the basis of one (1) Series A Share for each Series B Share converted. The Corporation shall provide written notice not less than thirty (30) and not more than sixty (60) days prior to the applicable Series B Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series B Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section

28.3.3. On the 30<sup>th</sup> day prior to each Series B Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series B Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series A Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

- (b) If the Corporation gives notice to the Holders as provided in Section 28.2 of the redemption of all the Series B Shares, the Corporation will not be required to give notice to the Holders as provided in this Section 28.3.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series B Shares as herein provided shall cease and terminate in that event.
- (c) Holders shall not be entitled to convert their Series B Shares into Series A Shares on a Series B Conversion Date if the Corporation determines that there would remain outstanding on the Series B Conversion Date less than 1,000,000 Series A Shares after taking into account all Series B Shares tendered for conversion into Series A Shares and all Series A Shares tendered for conversion into Series B Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series B Conversion Date and, subject to the provisions of Section 28.14, shall issue and deliver, or cause to be delivered, prior to such Series B Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series B Shares, new certificates representing the Series B Shares represented by any certificate or certificates surrendered as aforesaid.

### **28.3.2 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series B Conversion Date less than 1,000,000 Series B Shares after taking into account all Series B Shares tendered for conversion into Series A Shares and all Series A Shares tendered for conversion into Series B Shares, then, all, but not part, of the remaining outstanding Series B Shares shall automatically be converted into Series A Shares on the basis of one (1) Series A Share for each Series B Share on the applicable Series B Conversion Date. The Corporation shall give notice in writing thereof to the Holders of such remaining Series B Shares at least seven (7) days prior to the Series B Conversion Date.

### **28.3.3 Manner of Conversion**

- (a) Subject to the provisions of Section 28.14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30<sup>th</sup> day prior to a Series B Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series B Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such

other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 28.3.3; and (2) the certificate or certificates, if any, representing the Series B Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series B Shares represented by such certificate or certificates and that have not been called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate, representing the Series B Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

- (b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series B Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 28.3.2).
- (c) In the event the Corporation is required to convert all remaining outstanding Series B Shares into Series A Shares on the applicable Series B Conversion Date as provided for in Section 28.3.2, the Series B Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series B Conversion Date into Series A Shares and the Holders thereof shall be deemed to be holders of Series A Shares at 5:00 p.m. (Toronto time) on the Series B Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates, if any, representing Series B Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series A Shares in the manner and subject to the terms and provisions as provided in this Section 28.3.3 and Section 28.14.
- (d) Subject to the provisions of Section 28.14, as promptly as practicable after the Series B Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series B Shares so surrendered in accordance with this Section 28.3, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series A Shares and the number of remaining Series B Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series B Conversion Date, so that the rights of the Holder of such Series B Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series A Shares upon such conversion

will be treated for all purposes as having become the holder or holders of record of such Series A Shares at such time.

- (e) The Holder of any Series B Share on the record date for any Series B Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into a Series A Share after such record date and on or before the date of the payment of such dividend.
- (f) Subject to the provisions of Section 28.14, the issuance of certificates for the Series A Shares upon the conversion of Series B Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series A Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series A Shares are issued in respect of the issuance of such Series A Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### **28.3.4 Right Not to Deliver Series A Shares**

On the exercise of the Conversion Privilege by a Holder or an automatic conversion pursuant to Section 28.3.2, the Corporation reserves the right not to deliver Series A Shares to any Ineligible Person.

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

So long as any of the Series B Shares are outstanding, the Corporation shall not, without the approval of the Holders:

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

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire for value or make any return of capital in respect of any Preferred Shares of the Corporation, ranking as to dividends or capital on a parity with the Series B Shares;

unless, in each such case, all accrued and unpaid dividends on the Series B Shares up to and including the Series B Dividend payable for the last completed Quarterly Floating Rate Period and on all other shares of the Corporation ranking prior to or on a parity with the Series B Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

#### **28.5 Purchase for Cancellation**

Subject to applicable law and to the provisions described in Section 28.4 above, the Corporation may at any time purchase for cancellation all or any number of the Series B Shares outstanding from time to time at any price in the open market (including purchases from or through an investment dealer or a firm holding membership on or that is a participant of a recognized stock exchange) or by tender available to all Holders or by private agreement or otherwise.

#### **28.6 Liquidation, Dissolution or Winding-Up**

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

#### **28.7 Voting Rights**

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight (8) quarterly Series B Dividends whether or not consecutive and whether or not such dividends were declared and whether or not there are any moneys of the Corporation properly applicable to the payment of such dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are

entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote in respect of each Series B Share held by such Holder. No other voting rights shall attach to the Series B Shares in any circumstances. Upon payment of the entire amount of all Series B Dividends in arrears, the voting rights of the Holders shall forthwith cease, unless and until the same default shall again arise under the provisions of this Section 28.7.

## **28.8 Limitations on Right to Class/Series Vote**

Subject to applicable law, Holders will not be entitled to vote separately as a class or series on a proposal to amend the Articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series B Shares or (b) create a new class or series of shares equal or superior to the Series B Shares.

## **28.9 Modifications**

These Series B Share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Business Corporations Act* (British Columbia), any such approval to be given in accordance with Section 28.10.

## **28.10 Approval of Holders**

### **28.10.1 Approval**

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

### **28.10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Articles of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law.

On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each Series B Share held by such Holder.

#### **28.11 Tax Election**

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

#### **28.12 Communications with Holders**

Except as specifically provided elsewhere in these Series B Share provisions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

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

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

- (a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and



- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the Transfer Agent, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Corporation determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

## **28.13 Interpretation**

### **28.13.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Accrued and unpaid dividends”** means the aggregate of: (i) all unpaid Series B Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series B Dividends had been accruing on a day to day basis from and including the most recent Quarterly Period Commencement Date up to, but excluding, the date to which the computation of accrued dividends is to be made.

**“Annual Fixed Dividend Rate”** means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.71%.

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

**“Book-Entry Only System”** means the record book-entry only securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

**“Business Day”** means a day other than a Saturday, a Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario, for the transaction of banking business.

**“Conversion Privilege”** has the meaning attributed to it in Section 28.3.1(a).

**“Depository”** means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation.

**“Dividend Payment Date”** in respect of the dividends payable on the Series B Shares means the last day of each of January, April, July and October in each year.

**“Election Notice”** has the meaning attributed to it in Section 28.3.3.

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

**“Floating Quarterly Dividend Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.71% calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365.

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

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

**“Holder”** has the meaning attributed to it in Section 28.1.1.

**“Ineligible Person”** means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series B Shares or Series A Shares, as the case may be, would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

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

**“Issue Date”** means the date on which Series A Shares are first issued.

**“Quarterly Amount”** has the meaning attributed to it in Section 28.1.1.

**“Quarterly Period Commencement Date”** means the last calendar day of each of January, April, July and October in each year.

**“Quarterly Floating Rate Period”** means the period from and including July 31, 2016 up to, but excluding, October 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period up to, but excluding, the next succeeding Quarterly Period Commencement Date.

**“Redemption Price”** has the meaning attributed to it in Section 28.2.1.

**“Series A Shares”** has the meaning attributed to it in Section 28.3.1.

**“Series B Conversion Date”** has the meaning attributed to it in Section 28.2.1.

**“Series B Dividends”** has the meaning attributed to it in Section 28.1.1.

**“Series B Shares”** has the meaning attributed to it in the introductory paragraph to these Series B Share provisions.

**“Subsequent Fixed Rate Period”** means, for the initial Subsequent Fixed Rate Period, the period from and including July 31, 2016 up to, but excluding, July 31, 2021 and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period up to, but excluding, July 31 in the fifth year thereafter.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series B Shares.

## **28.13.2 Interpretation of Terms**

In these Series B Share provisions:

- (a) in the event that any date on which any Series B Dividend is payable by the Corporation, or any date that is a Series B Conversion Date, or any date on or by which any other action is required to be taken or determination made by the Corporation or the Holders hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken or determination made, on or before the next succeeding day that is a Business Day;
- (b) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity

reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

- (c) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series B Share provisions any amount required by law to be deducted or withheld from that payment and any reference herein to the Corporation deducting tax and remitting to a taxing authority shall be interpreted to include deducting any such amount required by law to be deducted or withheld and remitted to the applicable authorities;
- (d) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;
- (e) if it is necessary to convert any amount into Canadian dollars, the Corporation will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and
- (f) all references herein to a Holder shall be interpreted as referring to a registered Holder.

## **28.14 Book-Entry Only System**

### **28.14.1 Transfers etc. Through Participants**

If the Series B Shares are held through the Book-Entry Only System then the beneficial owner thereof shall provide instructions with respect to Series B Shares only to the Depository participant through whom such beneficial owner holds such Series B Shares or otherwise through the Depository's systems and registrations of ownership, transfers, purchases, surrenders and exchanges of Series B Shares will be made only through the Book-Entry Only System. Beneficial owners of Series B Shares will not have the right to receive share certificates representing their ownership of the Series B Shares.

### **28.14.2 Depository is Registered Holder**

For the purposes of these Series B Share provisions, as long as the Depository, or its nominee, is the registered Holder of the Series B Shares, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series B Shares for the purpose of receiving notices or payments on or in respect of the Series B Shares, including payments of Series B Dividends, the Redemption Price or accrued and unpaid dividends, and the delivery of Series A Shares and certificates for those shares on the conversion into Series A Shares.

**PART 29**  
**SPECIAL RIGHTS OR RESTRICTIONS ATTACHED TO THE CLASS A SHARES**

- 29.1 Ranking.** Except as hereinafter provided, each Class A share without par value (a "New Common Share") and each common share shall have the same rights and attributes and shall rank equally share for share. The preferred shares shall have priority over the New Common Shares in respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of preferred shares being entitled to a return of capital).
- 29.2 Voting Rights.** The holders of the New Common Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have 1.01 vote for each New Common Share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.
- 29.3 Dividends.** The holders of the New Common Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company on an equal basis with the holders of the common shares.
- 29.4 Dissolution.** In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the New Common Shares shall, subject to the rights of any other class of shares, be entitled to receive the remaining property of the Company on an equal basis with the holders of the common shares.