



Industry Canada

Industrie Canada

Certificate  
of Amendment

Certificat  
de modification

Canada Business  
Corporations Act

Loi canadienne sur  
les sociétés par actions

TRANSCONTINENTAL INC.

028293-6

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the articles of the  
above-named corporation were amended:

Je certifie que les statuts de la société  
susmentionnée ont été modifiés:

- a) under section 13 of the *Canada Business Corporations Act* in accordance with the attached notice;
- b) under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares;
- c) under section 179 of the *Canada Business Corporations Act* as set out in the attached articles of amendment;
- d) under section 191 of the *Canada Business Corporations Act* as set out in the attached articles of reorganization;

- a) en vertu de l'article 13 de la *Loi canadienne sur les sociétés par actions*, conformément à l'avis ci-joint;
- b) en vertu de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes désignant une série d'actions;
- c) en vertu de l'article 179 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes;
- d) en vertu de l'article 191 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses de réorganisation ci-jointes;

Richard G. Shaw  
Director - Directeur

October 1, 2009 / le 1 octobre 2009

Date of Amendment - Date de modification



## Articles of Amendment

(Section 27 or 177 of the Canada Business Corporations Act (CBCA))

### Form 4

#### Instructions

**[3]** Any changes in the articles of the corporation must be made in accordance with section 27 or 177 of the CBCA.

**A:** If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Canada-biased NUANS® search report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a NUANS® search.

**D:** Any other amendments must correspond to the paragraphs and subparagraphs referenced in the articles being amended. If the space available is insufficient, please attach a schedule to the form.

#### [4] Declaration

This form must be signed by a director or an officer of the corporation (subsection 262(2) of the CBCA).

#### General

The information you provide in this document is collected under the authority of the CBCA and will be stored in personal information bank number IC/PPU-049. Personal information that you provide is protected under the provisions of the *Privacy Act*. However, public disclosure pursuant to section 266 of the CBCA is permitted under the *Privacy Act*.

If you require more information, please consult our website at [www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca) or contact us at 613-941-9042 (Ottawa region), toll-free at 1-866-333-5556 or by email at [corporationscanada@ic.gc.ca](mailto:corporationscanada@ic.gc.ca).

#### Prescribed Fees

- Corporations Canada Online Filing Centre: \$200
- By mail or fax: \$200 paid by cheque payable to the Receiver General for Canada or by credit card (American Express®, MasterCard® or Visa®).

#### Important Reminders

Changes of registered office address and/or mailing address:

Complete and file *Change of Registered Office Address* (Form 3).

Changes of directors or changes of a director's address:

Complete and file *Changes Regarding Directors* (Form 6).

These forms can be filed electronically, by mail or by fax free of charge.

File documents online:

Corporations Canada Online  
Filing Centre:  
[www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

Or send documents by mail:

Director General,  
Corporations Canada  
Jean Edmonds Tower South  
9th Floor  
365 Laurier Ave. West  
Ottawa ON K1A 0C8

By Facsimile:

613-941-0999

**1** Corporation name

TRANSCONTINENTAL INC.

**2** Corporation number

028293 - 6

**3** The articles are amended as follows:

(Please note that more than one section can be filled out)

**A:** The corporation changes its name to:

**B:** The corporation changes the province or territory in Canada where the registered office is situated to:  
(Do not indicate the full address)

**C:** The corporation changes the minimum and/or maximum number of directors to:  
(For a fixed number of directors, please indicate the same number in both the minimum and maximum options)

minimum:

maximum:

**D:** Other changes: (e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation or to any other provisions that are permitted by the CBCA to be set out in the Articles) Please specify.

Item 3 of the Restated Articles of Incorporation dated October 7, 1988 is further amended as of the date hereof by the addition of the provisions contained in the attached Schedule 1 forming an integral part hereto.

**4** Declaration

I hereby certify that I am a director or an officer of the corporation.

SIGNATURE

Christine Desaulniers

( 514 ) 954-4008

PRINT NAME

TELEPHONE NUMBER

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

**INDUSTRY CANADA**

**SCHEDULE 1**  
**ARTICLES OF AMENDMENT OF**  
**TRANSCONTINENTAL INC.**  
*Canada Business Corporations Act*

The authorized capital of the Corporation is hereby amended:

- i) by the creation of an unlimited number of cumulative redeemable first preferred shares, series D, which shall be designated as Cumulative Rate Reset First Preferred Shares, Series D. The rights, privileges, restrictions and conditions attaching to the Cumulative Rate Reset First Preferred Shares, Series D are contained in Schedule A, attached hereto forming an integral part hereto;
- ii) by the creation of an unlimited number of Cumulative Redeemable First Preferred Shares, Series E which shall be designated as Cumulative Floating Rate First Preferred Shares, Series E. The rights, privileges, restrictions and conditions attaching to the Cumulative Floating Rate First Preferred Shares, Series E are contained in Schedule B, attached hereto forming an integral part hereto.

such that the authorized capital of the Corporation shall consist of:

A) an unlimited number of First Preferred Shares without nominal or par value, issuable in one or more series, of which the following series have been created:

- 1) 19 Cumulative Redeemable Convertible Auction Perpetual First Preferred Shares, Series A;
- 2) 2,666,667 Cumulative Retractable Convertible Redeemable First Preferred Shares, Series B;
- 3) 1,600,000 Cumulative Redeemable First Preferred Shares, Series C;
- 4) an unlimited number of Cumulative Redeemable First Preferred Shares, Series D; and
- 5) an unlimited number of Cumulative Floating Rate First Preferred Shares, Series E.

B) an unlimited number of Second Preferred Shares without nominal or par value, issuable in one or more series;

C) an unlimited number of Class A Subordinate Voting Shares, without nominal or par value; and

D) an unlimited number of Class B Shares, without nominal or par value.

INDUSTRY CANADA

**SCHEDULE A**  
**ARTICLES OF AMENDMENT OF**  
**TRANSCONTINENTAL INC.**  
*Canada Business Corporations Act*

**RIGHTS, PRIVILEGES, RESTRICTIONS**  
**AND CONDITIONS ATTACHING TO THE**  
**CUMULATIVE RATE RESET FIRST PREFERRED SHARES, SERIES D**

The fourth series of First Preferred Shares (the "First Preferred Shares") shall be designated as Cumulative Rate Reset First Preferred Shares, Series D (the "Series D Preferred Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

**ARTICLE 1**  
**DEFINITIONS**

The following definitions are relevant to the Series D Preferred Shares.

**"accrued and unpaid dividends"** means the aggregate of: (i) all unpaid dividends on the Series D Preferred Shares; and (ii) the amount calculated as though dividends on each Series D Preferred Share had been accruing on a day-to-day basis from and including the date on which the last dividend was payable up to and including 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 annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 4.16%.

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

**"Business Day"** means a day of the week other than a Saturday or a Sunday or a day on which banking institutions in Montreal, Canada and Toronto, Canada are authorized or obligated to close.

**"Dividend Payment Date"** means the fifteenth day of each of January, April, July and October in each year.

**"Dividend Period"** means the period from and including the date of initial issue of the Series D Preferred Shares to but excluding January 15, 2010 being the first Dividend Payment Date, and thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

**"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 rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.16% (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 Bond 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 Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

**"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.

**"Initial Fixed Rate Period"** means the period from and including the closing date of the initial issuance of the Series D Preferred Shares to, but excluding, October 15, 2014.

**"Quarterly Commencement Date"** means the fifteenth day of January, April, July and October in each year, commencing October 15, 2014.

**"Quarterly Dividend"** means the fixed, cumulative, preferential cash dividend to which the holders of the Series D Preferred Shares are entitled pursuant to the terms herein as and when declared by the Board of Directors payable quarterly on a Dividend Payment Date.

**"Quarterly Floating Rate Period"** means the period from and including October 15, 2014 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

"*ranking as to capital*" and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

"*ranking as to dividends*" and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

"*Subsequent Fixed Rate Period*" means the period from and including October 15, 2014 to, but excluding, October 15, 2019 and each five year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, October 15 in the fifth year thereafter.

"*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 using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

"*Transfer Agent*" means CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec, its successors and assigns.

## ARTICLE 2 ISSUE PRICE

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

## ARTICLE 3 DIVIDENDS

### 3.1 Dividend Payment Dates and Dividend Periods

During the Initial Fixed Rate Period, the holders of the Series D Preferred Shares shall be entitled to receive fixed, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the "Board of Directors") out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on each Dividend Payment Date at a per annum rate of 6.75%, or \$1.6875 per Series D Preferred Share per annum. The first such dividend, if declared, shall be paid on January 15, 2010 and shall be \$0.4854 per Series D Preferred Share. Dividends on the Series D Preferred Shares shall accrue daily from and including the date of issue of such share.

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

The Corporation shall determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series D Preferred Shares. The Corporation shall, on the relevant Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Series D Preferred Shares.

Payments of dividends and other amounts in respect of the Series D Preferred Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, as the case may be, as registered holder of the Series D Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series D Preferred Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series D Preferred Shares for the purposes of receiving payment on the Series D Preferred Shares.

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

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

- (a) a dividend in an amount per share with respect to any Series D Preferred Share:
  - (i) which is issued, redeemed or exchanged during any Dividend Period,
  - (ii) where the assets of the Corporation are distributed to the holders of the Series D Preferred Shares pursuant to Article 12 with an effective date during any Dividend Period, or
  - (iii) in any other circumstance where the number of days in a Dividend Period that such share has been outstanding is less than a full Dividend Period,

equal to the amount obtained (rounded to five decimal places) when the Quarterly Dividend per Series D Preferred Shares is multiplied by a fraction, the numerator of which is the number of calendar days in such Dividend Period that such share has been outstanding (excluding the date of issue, redemption, exchange, the effective date for the distribution of assets or the last day of the applicable shorter period, as applicable) and the denominator of which is the number of calendar days in such Dividend Period.

### **3.3 Payment Procedure**

The Corporation shall pay the dividends on the Series D Preferred Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not

contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series D Preferred Shares (in the manner provided for in Article 9) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted 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 banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

#### **3.4 Cumulative Payment of Dividends**

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

### **ARTICLE 4 VOTING RIGHTS**

#### **4.1 Voting Rights**

Except as otherwise required by law or in the conditions attaching to the First Preferred Shares as a class, the holders of Series D Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at any meeting of shareholders of the Corporation, for greater certainty, including at any meeting relating to a proposal to effect an exchange of the Series D Preferred Shares by way of amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series D Preferred Shares are not removed or changed and provided that no class of shares of the Corporation, or of any successor entity, as the case may be, superior to or ranking on parity with the Series D Preferred Shares is created or are otherwise negatively impacted. In the event that the Corporation shall have failed to pay the dividends accrued and payable for six quarters, whether or not consecutive and whether or not such dividends have been declared on the Series D Preferred Shares, at the applicable dividend rate for such shares, the holders of Series D Preferred Shares, together with holders of Series E Preferred Shares, provided that they are entitled to vote in accordance with their terms, voting as a class, irrespective of series, shall have the right to elect one (1) director of the Corporation at the Corporation's next regularly scheduled annual meeting. The election of said director, if such be the case, shall be made in accordance with Article 11. This right of election of a member to the Board of Directors shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the shares of such



series until such time as the Corporation may again fail to pay the applicable dividend for any six quarters, in which case such right shall become effective again and so on from time to time under the provisions of this Article 4.

## **ARTICLE 5**

### **REDEMPTION, CONVERSION, AUTOMATIC CONVERSION AND CANCELLATION**

#### **5.1 General**

Subject to Article 6, and to the extent permitted by applicable law, the Series D Preferred Shares may be redeemed, converted or purchased by the Corporation or converted by the holder as provided in this Article 5 but not otherwise.

#### **5.2 Corporation's Redemption Rights**

The Series D Preferred Shares shall not be redeemable prior to October 15, 2014. Subject to the provisions described below under Section 6.1, on October 15, 2014 and on October 15 every fifth year thereafter (each a "Series D Redemption Date"), the Corporation may redeem all or any part of the outstanding Series D Preferred Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends to, but excluding, the Series D Redemption Date (less tax, if any, required to be deducted and withheld) (the "Redemption Price"). If a Series D Redemption Date would otherwise fall on a day that is not a Business Day, such Series D Redemption Date shall be the immediately following Business Day.

The Series D Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series D Preferred Shares.

Where a part only of the then outstanding Series D Preferred Shares is at any time to be redeemed, the Series D Preferred Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

#### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series D Redemption Date to each person who at the date of giving such notice is the registered holder of Series D Preferred Shares. Such notice shall be sent in accordance with Article 9 and shall set out the number of such Series D Preferred Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

#### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series D Redemption Date pay or cause to be paid to the registered holders of the Series D Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery at the principal transfer office of the

Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series D Preferred Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series D Preferred 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 from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the applicable Series D Redemption Date, the holders of Series D Preferred Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series D Preferred Shares in respect of such shares except the right to receive therefor the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series D Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series D Redemption Date may be reclaimed and used by the Corporation for its own purposes.

#### **5.5 Deposit of Redemption Price**

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

#### **5.6 Conversion Rights**

Holders of Series D Preferred Shares shall have the right, at their option, on October 15, 2014 and on each October 15 every fifth year thereafter (each a "Series D Conversion Date"), to convert, subject to the automatic conversion and restrictions on conversion described under Sections 5.9 and 6.2, respectively, and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series D Preferred Shares registered in their name into Cumulative Floating Rate First Preferred Shares, Series E (the "Series E

Preferred Shares") on the basis of one Series E Preferred Share for each Series D Preferred Share. If a Series D Conversion Date would otherwise fall on a day that is not a Business Day, such Series D Conversion Date shall be the immediately following Business Day. Written notice of a holder's intention to convert Series D Preferred Shares (the "Election Notice") is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the relevant Series D Conversion Date.

If the Corporation does not receive an Election Notice from a holder of Series D Preferred Shares during the notice period therefor, then the Series D Preferred Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 5.9.)

#### 5.7 Notice of Conversion

The Corporation shall, not more than 60 days and not less than 30 days prior to each Series D Conversion Date, give notice in writing to the then registered holders of the Series D Preferred Shares of the above-mentioned conversion right, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series D Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series D Preferred Shares of the Annual Fixed Dividend Rate for the next Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series E Preferred Shares for the next Quarterly Floating Rate Period.

If the Corporation gives notice to the registered holders of the Series D Preferred Shares of the redemption of all the Series D Preferred Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series D Preferred Shares of any dividend rates or of the conversion right of holders of Series D Preferred Shares and the right of any holder of Series D Preferred Shares to convert such shares shall terminate.

#### 5.8 Delivery of Share Certificates on Conversion

Subject to Section 5.10, in the case of conversion of Series D Preferred Shares into Series E Preferred Shares, on and after the Series D Conversion Date, the Corporation shall deliver to each holder of Series D Preferred Shares so called for conversion a certificate representing the whole number of the holder's Series E Preferred Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series D Preferred Shares so called for conversion. Subject to Section 5.10, the Corporation shall deliver or cause to be delivered certificates representing such Series E Preferred Shares registered in the name of the holders of Series D Preferred Shares to be converted, or as such holders shall have directed in the Election Notice. Series Preferred D Shares so converted shall be converted effective on the Series D Conversion Date. From and after the Series D Conversion Date, the holders of Series D Preferred Shares so converted shall cease to be entitled to dividends on such Series D Preferred Shares or to exercise any of the rights of holders of Series D Preferred Shares in respect of such shares except the right to receive therefor a certificate representing the whole number of the holders' Series E Preferred Shares, and the holders thereof shall become holders of Series E Preferred Shares of record, effective on the Series D Conversion Date, provided however that if the Corporation does not deliver

certificates representing Series E Preferred Shares in accordance herewith, the rights of the holders of Series D Preferred Shares, including the rights to receive dividends on the Series D Preferred Shares, shall remain unimpaired. If less than all the Series D Preferred Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.

#### **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series D Preferred Shares, after having taken into account all Series D Preferred Shares tendered for conversion into Series E Preferred Shares and all Series E Preferred Shares tendered for conversion into Series D Preferred Shares, then, all, but not part, of the remaining outstanding Series D Preferred Shares shall automatically be converted into Series E Preferred Shares on the basis of one Series E Preferred Share for each Series D Preferred Share on the applicable Series D Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series D Preferred Shares at least seven days prior to the Series D Conversion Date.

#### **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series D Preferred Shares into Series E Preferred Shares (and upon an automatic conversion of Series D Preferred Shares into Series E Preferred Shares), the Corporation reserves the right not to deliver Series E Preferred Shares to any person whose address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

#### **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in Article 6, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series D Preferred Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series D Preferred Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

#### **5.12 Avoidance of Fractional Shares**

In any case there shall be no fraction of a Series D Preferred Shares.

**ARTICLE 6**  
**RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

**6.1 Restrictions on Dividends and Retirement of Shares**

Unless all accrued dividends up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the First Preferred Shares and there will have been paid or set aside for payment all declared dividends in respect of each series of non-cumulative First Preferred Shares and on all other non-cumulative shares ranking on parity with the First Preferred Shares, the Corporation shall not, without the prior approval of the holders of outstanding Series D Preferred Shares, voting as a series:

- declare, pay or set apart for payment any dividends on any of its shares of any class of shares of the Corporation ranking as to dividends junior to the Series D Preferred Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series D Preferred Shares);
- except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, in connection with the exercise of a retraction privilege attaching thereto or of any other mandatory redemption provisions of any given series of any preferred shares, call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of the Corporation ranking as to the payment of dividends or capital junior to the Series D Preferred Shares;
- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series D Preferred Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares.

**6.2 Restrictions on Conversion**

Holders of Series D Preferred Shares shall not be entitled to convert their shares into Series E Preferred Shares if the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series E Preferred Shares after having taken into account all Series D Preferred Shares tendered for conversion into Series E Preferred Shares and all Series E Preferred Shares tendered for conversion into Series D Preferred Shares. The Corporation shall give notice in writing of their inability to convert their Series D Preferred Shares to all registered holders of the Series D Preferred Shares at least seven days prior to the applicable Series D Conversion Date.

**ARTICLE 7  
ELECTION UNDER THE INCOME TAX ACT**

**7.1 Election Under the *Income Tax Act* (Canada)**

The Series D Preferred Shares shall be "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the "Tax Act") for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under Part VI.1 of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holder on the Series D Preferred Shares.

**ARTICLE 8  
BOOK-ENTRY ONLY SECURITIES**

Registration of interests in and transfers of the Series D Preferred Shares shall only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to CDS a certificate evidencing the aggregate number of Series D Preferred Shares subscribed for. Series D Preferred Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a "CDS Participant"). All rights of an owner of Series D Preferred Shares must be exercised through, and all payments or other property to which such owner is entitled shall be made or delivered by, CDS or the CDS Participant through which the owner holds Series D Preferred Shares. Upon an acquisition of any Series D Preferred Shares, the owner shall receive only the customary confirmation. A holder of Series D Preferred Shares means, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The Corporation has the option to terminate registration of the Series D Preferred Shares through the book-entry only system, in which event certificates for Series D Preferred Shares in fully registered form shall be issued to the beneficial owners of such shares or their nominees.

**ARTICLE 9  
NOTICE**

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

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series D Preferred Shares pursuant to this Article 9 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors 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 newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors 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.

## 9.2 Interpretation

In the event that any day on which any dividend on the Series D Preferred Shares is payable or on or by which any other action is required to be taken hereunder is not a Business Day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a Business Day.

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

## ARTICLE 10 MODIFICATION AND ISSUANCE OF SHARES

### 10.1 Modification

The provisions attaching to the Series D Preferred Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be

required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with Article 11 and with any required approvals of any stock exchanges on which the Series D Preferred Shares may be listed.

## **10.2 Issuance of Shares**

The Corporation shall not, without the approval of holders of the First Preferred Shares, create or issue any other class of shares ranking in priority or on parity with the First Preferred Shares. In addition, the Corporation shall not create or issue any series of First Preferred Shares or any other class of shares ranking in priority to or on parity with the First Preferred Shares, unless all cumulative dividends have been declared and paid or set aside for payment and all declared and unpaid non-cumulative dividends have been paid or set aside for payment.

## **ARTICLE 11 APPROVAL OF HOLDERS OF SERIES D PREFERRED SHARES**

### **11.1 Approval of Holders of Series D Preferred Shares**

Except as otherwise provided herein, any approval of the holders of the Series D Preferred Shares with respect to any matters requiring the consent of such holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of 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 25% of the outstanding Series D Preferred Shares are present in person or represented by proxy. If at any such meeting the holders of a majority of the outstanding Series D Preferred Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holders of Series D Preferred Shares present in person or represented by proxy shall form the necessary quorum and may transact the business, for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series D Preferred Shares.

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



**ARTICLE 12  
RIGHTS ON LIQUIDATION**

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 D Preferred Shares, the holders of Series D Preferred Shares shall be entitled to payment of an amount equal to \$25.00 per Series D Preferred Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any shares of the Corporation ranking junior to the Series D Preferred Shares. After payment of such amounts, the holders of Series D Preferred Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

**ARTICLE 13  
WITHHOLDING AND TRANSFER TAXES**

**13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule A, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series D Preferred Shares, including on the redemption, conversion or cancellation of the Series D Preferred Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such withholding was made.

**13.2 Transfer Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule A, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series D Preferred Shares are issued in connection with the conversion of Series E Preferred Shares into Series D Preferred Shares, in respect of the issuance of such Series D Preferred Shares or the certificate therefore, 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 of the Series D Preferred Shares 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.

INDUSTRY CANADA

SCHEDULE B  
ARTICLES OF AMENDMENT OF  
TRANSCONTINENTAL INC.  
*Canada Business Corporations Act*

RIGHTS, PRIVILEGES, RESTRICTIONS  
AND CONDITIONS ATTACHING TO THE  
CUMULATIVE FLOATING RATE FIRST PREFERRED SHARES, SERIES E

The fifth series of First Preferred Shares (the "First Preferred Shares") shall be designated as Cumulative Floating Rate First Preferred Shares, Series E (the "Series E Preferred Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

ARTICLE 1  
DEFINITIONS

The following definitions are relevant to the Series E Preferred Shares.

**"accrued and unpaid dividends"** means the aggregate of: (i) all unpaid dividends on the Series E Preferred Shares; and (ii) the amount calculated as though dividends on each Series E Preferred Share had been accruing on a day-to-day basis from and including the date on which the last dividend was payable up to and including 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 annual rate (expressed as a percentage rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Bond Yield on the applicable Fixed Rate Calculation Date plus 4.16%.

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

**"Business Day"** means a day of the week other than a Saturday or a Sunday or a day on which banking institutions in Montreal, Canada and Toronto, Canada are authorized or obligated to close.

**"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 rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.16% (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 Bond 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 Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

**"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.

**"Quarterly Commencement Date"** means the fifteenth day of January, April, July and October in each year, commencing October 15, 2014.

**"Quarterly Floating Rate Period"** means the period from and including October 15, 2014 to, but excluding, the next Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next Quarterly Commencement Date.

**"ranking as to capital"** and similar expressions mean ranking with respect to priority in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

**"ranking as to dividends"** and similar expressions mean ranking with respect to priority in the payment of dividends by the Corporation.

**"Subsequent Fixed Rate Period"** means the period from and including October 15, 2014 to, but excluding, October 15, 2019 and each five year period thereafter from and including the day

immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, October 15 in the fifth year thereafter.

"*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 using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

"*Transfer Agent*" means CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec, its successors and assigns.

## ARTICLE 2 ISSUE PRICE

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

## ARTICLE 3 DIVIDENDS

### 3.1 Dividend Payment Dates and Quarterly Floating Rate Periods

The holders of the Series E Preferred Shares shall be entitled to receive quarterly floating rate, cumulative, preferential cash dividends, as and when declared by the board of directors of the Corporation (the "**Board of Directors**") out of moneys of the Corporation properly applicable to the payment of dividends, payable quarterly on or about the fifteen day of each of January, April, July and October in each year. Such quarterly cash dividends shall be in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00 (the "**Quarterly Dividend**"). Dividends on the Series E Preferred Shares shall accrue daily from and including the date of issue of such share.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period shall be determined by the Corporation on the relevant Floating Rate Calculation Date. Such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series E Preferred Shares.

Payments of dividends and other amounts in respect of the Series E Preferred Shares shall be made by the Corporation to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, as the case may be, as registered holder of the Series E Preferred Shares. As long as CDS, or its nominee, is the registered holder of the Series E Preferred Shares, CDS, or its nominee, as the case may be, shall be considered the sole owner of the Series E Preferred Shares for the purposes of receiving payment on the Series E Preferred Shares.

### 3.2 Dividend for Other than a Full Quarterly Floating Rate Period

The holders of Series E Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors out of moneys of the

Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends for any period which is less than a full Quarterly Floating Rate Period as follows:

- (a) a dividend in an amount per share with respect to any Series E Preferred Share:
  - (i) which is issued, redeemed or exchanged during any Quarterly Floating Rate Period,
  - (ii) where the assets of the Corporation are distributed to the holders of the Series E Preferred Shares pursuant to Article 12 with an effective date during any Quarterly Floating Rate Period, or
  - (iii) in any other circumstance where the number of days in a Quarterly Floating Rate Period that such share has been outstanding is less than a full Quarterly Floating Rate Period,

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

### **3.3 Payment Procedure**

The Corporation shall pay the dividends on the Series E Preferred Shares (less any tax required to be deducted or withheld by the Corporation) by electronic funds transfer or by cheque(s) drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall reasonably determine. The delivery or mailing of any cheque to a holder of Series E Preferred Shares (in the manner provided for in Article 9) or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted 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 banker for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

### **3.4 Cumulative Payment of Dividends**

If on any Dividend Payment Date, the Quarterly Dividends accrued to such date are not paid in full on all of the Series E Preferred Shares then outstanding, such Quarterly Dividends, or the unpaid part thereof, shall be paid (less any tax required to be deducted or withheld by the Corporation) on a subsequent date or dates determined by the Board of Directors on which

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

#### **ARTICLE 4 VOTING RIGHTS**

##### **4.1 Voting Rights**

Except as otherwise required by law or in the conditions attaching to the First Preferred Shares as a class, the holders of Series E Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at any meeting of shareholders of the Corporation, for greater certainty, including at any meeting relating to a proposal to effect an exchange of the Series E Preferred Shares by way of amalgamation or plan of arrangement involving the Corporation provided that the rights, privileges, restrictions and conditions of the Series E Preferred Shares are not removed or changed and provided that no class of shares of the Corporation, or of any successor entity, as the case may be, superior to or ranking on parity with the Series E Preferred Shares is created or are otherwise negatively impacted. In the event that the Corporation shall have failed to pay the dividends accrued and payable for six quarters, whether or not consecutive and whether or not such dividends have been declared on the Series E Preferred Shares, at the applicable dividend rate for such shares, the holders of Series E Preferred Shares, together with holders of Series D Preferred Shares, provided that they are entitled to vote in accordance with their terms, voting as a class, irrespective of series, shall have the right to elect one (1) director of the Corporation at the Corporation's next regularly scheduled annual meeting. The election of said director, if such be the case, shall be made in accordance with Article 11. This right of election of a member to the Board of Directors shall forthwith cease upon payment by the Corporation of all accrued but unpaid dividends on the shares of such series until such time as the Corporation may again fail to pay the applicable dividend for any six quarters, in which case such right shall become effective again and so on from time to time under the provisions of this Article 4.

#### **ARTICLE 5 REDEMPTION, CONVERSION, AUTOMATIC CONVERSION AND CANCELLATION**

##### **5.1 General**

Subject to Article 6, and to the extent permitted by applicable law, the Series E Preferred Shares may be redeemed, converted, automatically converted or cancelled by the Corporation or the holder, as the case may be, as provided in this Article 5 but not otherwise.

##### **5.2 Corporation's Redemption Rights**

On October 15, 2019 and on each October 15 every fifth year thereafter (each a "Series E Redemption Date"), the Corporation may redeem all or any part of the outstanding Series E Preferred Shares, at the Corporation's option, by the payment of an amount in cash of \$25.00 per share so redeemed together with all accrued and unpaid dividends to, but excluding the Series E

Redemption Date (less tax, if any, required to be deducted and withheld) (the "Redemption Price"). If a Series E Redemption Date would otherwise fall on a day that is not a Business Day, such Series E Redemption Date shall be the immediately following Business Day.

On any date after October 15, 2014 that is not a Series E Redemption Date (the "Subsequent Redemption Date"), the Corporation may redeem all or any part of the outstanding Series E Preferred Shares, at the Corporation's option, by the payment of an amount in cash of \$25.50 per share together with all accrued and unpaid dividends to, but excluding, the Subsequent Redemption Date (less tax, if any, required to be deducted and withheld) (the "Subsequent Redemption Price").

The Series E Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series E Preferred Shares.

Where a part only of the then outstanding Series E Preferred Shares is at any time to be redeemed, the Series E Preferred Shares shall be redeemed pro rata disregarding fractions, or, if such shares are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

### **5.3 Notice of Redemption**

The Corporation shall give written notice of any redemption not more than 60 days and not less than 30 days prior to the applicable Series E Redemption Date or the Subsequent Redemption Date, as the case may be, to each person who at the date of giving such notice is the registered holder of Series E Preferred Shares. Such notice shall be sent in accordance with Article 9 and shall set out the number of such Series E Preferred Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price.

### **5.4 Payment of Redemption Price**

The Corporation shall on the applicable Series E Redemption Date or on the Subsequent Redemption Date, as the case may be, pay or cause to be paid to the registered holders of the Series E Preferred Shares so called for redemption the Redemption Price or the Subsequent Redemption Price therefore, as the case may be, on presentation and delivery at the principal transfer office of the Transfer Agent in the city of Montreal or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Series E Preferred Shares so called for redemption. Such payment shall be made by electronic funds transfer to an account specified by such holder or by cheque drawn on a Canadian chartered bank or trust company in the amount of the Redemption Price or the Subsequent Redemption Price, as the case may be, and such electronic transfer of funds or the delivery or mailing of such cheque shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price or the Subsequent Redemption Price, as the case may be, owed to the holders of Series E Preferred 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 from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. From and after the applicable Series E Redemption Date or the Subsequent Redemption Date, as the case

may be, the holders of Series E Preferred Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series E Preferred Shares in respect of such shares except the right to receive therefor the Redemption Price or the Subsequent Redemption Price, as the case may be, provided that if payment of such Redemption Price or Subsequent Redemption Price, as the case may be, is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Series E Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. Subject to applicable law, redemption monies which remain unclaimed for a period of six years from the applicable Series E Redemption Date or the Subsequent Redemption Date, as the case may be, may be reclaimed and used by the Corporation for its own purposes.

#### **5.5 Deposit of Redemption Price**

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

#### **5.6 Conversion Rights**

Holders of Series E Preferred Shares shall have the right, at their option, on October 15, 2019 and each of October 15 every fifth year thereafter (each a "Series E Conversion Date"), to convert, subject to the automatic conversion and restrictions on conversion described under Sections 5.9 and 6.2, respectively, and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series E Preferred Shares into Cumulative Rate Reset First Preferred Shares, Series D (the "Series D Preferred Shares") on the basis of one Series D Preferred Share for each Series E Preferred Share. If a Series E Conversion Date would otherwise fall on a day that is not a Business Day, such Series E Conversion Date shall be the immediately following Business Day. Written notice of a holder's intention to convert Series E Preferred Shares (the "Election Notice") is irrevocable and must be received by the Corporation not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the relevant Series E Conversion Date.



If the Corporation does not receive an Election Notice from a holder of Series E Preferred Shares during the notice period therefor, then the Series E Preferred Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 5.9.)

#### **5.7 Notice of Conversion**

The Corporation shall, not more than 60 and not less than 30 days prior to each Series E Conversion Date, give notice in writing to the then registered holders of the Series E Preferred Shares of the above-mentioned conversion right, together with the form of Election Notice. On the 30<sup>th</sup> day prior to each Series E Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series E Preferred Shares of the Floating Quarterly Dividend Rate for the next Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series D Preferred Shares for the next Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series E Preferred Shares of the redemption of all the Series E Preferred Shares, the Corporation shall not be required to give notice as provided hereunder to the registered holders of the Series E Preferred Shares of any dividend rates or of the conversion right of holders of Series E Preferred Shares and the right of any holder of Series E Preferred Shares to convert such shares shall terminate.

#### **5.8 Delivery of Share Certificates on Conversion**

Subject to Section 5.10, in the case of conversion of Series E Preferred Shares into Series D Preferred Shares, on and after the Series E Conversion Date, the Corporation shall deliver to each holder of Series E Preferred Shares so called for conversion a certificate representing the whole number of the holder's Series D Preferred Shares on presentation and delivery by the holder at the principal transfer office of the Transfer Agent in the city of Montreal, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Series E Preferred Shares so called for conversion. Subject to Section 5.10, the Corporation shall deliver or cause to be delivered certificates representing such Series D Preferred Shares registered in the name of the holders of Series E Preferred Shares to be converted, or as such holders shall have directed in the Election Notice. Series E Preferred Shares so converted shall be converted effective on the Series E Conversion Date. From and after the Series E Conversion Date, the holders of Series E Preferred Shares so converted shall cease to be entitled to dividends on such Series E Preferred Shares or to exercise any of the rights of holders of Series E Preferred Shares in respect of such shares except the right to receive therefor a certificate representing the whole number of the holders' Series D Preferred Shares, and the holders thereof shall become holders of Series D Preferred Shares of record, effective on the Series E Conversion Date, provided however that if the Corporation does not deliver certificates representing Series D Preferred Shares in accordance herewith, the rights of the holders of Series E Preferred Shares, including the rights to receive dividends on the Series E Preferred Shares, shall remain unimpaired. If less than all the Series E Preferred Shares represented by any certificate shall be exchanged, a new certificate for the balance shall be issued without cost to the holder.

## **5.9 Automatic Conversion**

If the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series E Preferred Shares, after having taken into account all Series E Preferred Shares tendered for conversion into Series D Preferred Shares and all Series D Preferred Shares tendered for conversion into Series E Preferred Shares, then, all, but not part, of the remaining outstanding Series E Preferred Shares shall automatically be converted into Series D Preferred Shares on the basis of one Series D Preferred Share for each Series E Preferred Share on the applicable Series E Conversion Date. The Corporation shall give notice in writing of the automatic conversion to all registered holders of the Series E Preferred Shares at least seven days prior to the Series E Conversion Date.

## **5.10 Non-Residents**

Upon exercise by a registered holder of its right to convert its Series E Preferred Shares into Series D Preferred Shares (and upon an automatic conversion of Series E Preferred Shares into Series D Preferred Shares), the Corporation reserves the right not to deliver Series D Preferred Shares to any person whose address is in, or whom the Corporation or its Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

## **5.11 Purchase for Cancellation**

Subject to applicable laws and to the provisions described in Article 6, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series E Preferred Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, by private agreement, pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of Series E Preferred Shares or otherwise, at the lowest price or prices at which in the opinion of the Board of Directors, such shares are obtainable.

## **5.12 Avoidance of Fractional Shares**

In any case there shall be no fraction of a Series E Preferred Shares.

# **ARTICLE 6**

## **RESTRICTIONS ON DIVIDENDS, RETIREMENT AND CONVERSION OF SHARES**

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

Unless all accrued dividends up to and including the dividend payment date for the last completed period for which dividends are payable shall have been declared and paid or set aside for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding and on all other outstanding shares entitled to cumulative dividends and ranking on parity with the First Preferred Shares and there will have been paid or set aside for payment all declared dividends in respect of each series of non-cumulative First Preferred Shares and on all other non-cumulative share ranking on a parity with the First Preferred Shares, the

Corporation shall not, without the prior approval of the holders of outstanding Series E Preferred Shares, voting as a series:

- declare, pay or set apart for payment any dividends on any of its shares of any class of shares of the Corporation ranking as to dividends junior to the Series E Preferred Shares (other than stock dividends payable in shares of the Corporation ranking as to dividends and capital junior to the Series E Preferred Shares);
- except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, in connection with the exercise of a retraction privilege attaching thereto or of any other mandatory redemption provisions of any given series of any preferred shares, call for redemption or redeem, call for purchase or purchase, or otherwise retire or reduce or make any return of capital in respect of shares of the Corporation ranking as to the payment of dividends or capital junior to the Series E Preferred Shares;
- otherwise retire or reduce or make any return of capital in respect of any shares of any class of shares of the Corporation ranking on parity with the Series E Preferred Shares, except in satisfaction of an obligation to purchase or obligation in respect of a sinking fund, of a right of retraction or any other mandatory redemption provision of any given series of any preferred shares.

## 6.2 Restrictions on Conversion

Holders of Series E Preferred Shares shall not be entitled to convert their shares into Series D Preferred Shares if the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series D Preferred Shares after having taken into account all Series E Preferred Shares tendered for conversion into Series D Preferred Shares and all Series D Preferred Shares tendered for conversion into Series E Preferred Shares. The Corporation shall give notice in writing of their inability to convert their Series E Preferred Shares to all registered holders of the Series E Preferred Shares at least seven days prior to the applicable Series E Conversion Date.

## ARTICLE 7 ELECTION UNDER THE INCOME TAX ACT

### 7.1 Election Under the *Income Tax Act* (Canada)

The Series E Preferred Shares shall be "taxable preferred shares" as defined in the *Income Tax Act* (Canada) (the "Tax Act") for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The Corporation shall take any required actions, which shall include the filing of the necessary election under Part VI.1 of the Tax Act, to ensure that holders that are corporations shall not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) by such holder on the Series E Preferred Shares.

**ARTICLE 8  
BOOK-ENTRY ONLY SECURITIES**

Registration of interests in and transfers of the Series E Preferred Shares shall only be made through the book-entry only system administered by CDS, the whole subject to applicable law. The Corporation shall deliver to CDS a certificate evidencing the aggregate number of Series E Preferred Shares subscribed for. Series E Preferred Shares must be acquired, transferred and surrendered for redemption, conversion or retraction through a participant in CDS (a "CDS Participant"). All rights of an owner of Series E Preferred Shares must be exercised through, and all payments or other property to which such owner is entitled shall be made or delivered by, CDS or the CDS Participant through which the owner holds Series E Preferred Shares. Upon an acquisition of any Series E Preferred Shares, the owner shall receive only the customary confirmation. A holder of Series E Preferred Shares means, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The Corporation has the option to terminate registration of the Series E Preferred Shares through the book-entry only system, in which event certificates for Series E Preferred Shares in fully registered form shall be issued to the beneficial owners of such shares or their nominees.

**ARTICLE 9  
NOTICE**

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

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series E Preferred Shares pursuant to this Article 9 is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the Board of Directors 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 newspaper having national circulation in Canada or, if there is no newspaper having national circulation in Canada, in an English language newspaper of general circulation published in each of Vancouver, Calgary, Toronto and Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication; and
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the city of Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors 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.

## 9.2 Interpretation

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

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

## ARTICLE 10 MODIFICATION AND ISSUANCE OF SHARES

### 10.1 Modification

The provisions attaching to the Series E Preferred Shares as a series may be deleted, varied, modified, amended or amplified from time to time with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with Article 11 and with any required approvals of any stock exchanges on which the Series E Preferred Shares may be listed.

### 10.2 Issuance of Shares

The Corporation shall not, without the approval of holders of the First Preferred Shares, create or issue any other class of shares ranking in priority or on parity with the First Preferred Shares. In addition, the Corporation shall not create or issue any series of First Preferred Shares or any other class of shares ranking in priority to or on parity with the First Preferred Shares,

unless all cumulative dividends have been declared and paid or set aside for payment and all declared and unpaid non-cumulative dividends have been paid or set aside for payment.

## ARTICLE 11 APPROVAL OF HOLDERS OF SERIES E PREFERRED SHARES

### 11.1 Approval of Holders of Series E Preferred Shares

Except as otherwise provided herein, any approval of the holders of the Series E Preferred Shares with respect to any matters requiring the consent of such holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all such holders or passed by the affirmative vote of 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 25% of the outstanding Series E Preferred Shares are present in person or represented by proxy. If at any such meeting the holders of a majority of the outstanding Series E Preferred Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days written notice shall be given of such adjourned meeting. At such adjourned meeting, the holders of Series E Preferred Shares present in person or represented by proxy shall form the necessary quorum and may transact the business, for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series E Preferred Shares.

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

## ARTICLE 12 RIGHTS ON LIQUIDATION

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 E Preferred Shares, the holders of Series E Preferred Shares shall be entitled to payment of an amount equal to \$25.00 per Series E Preferred Share, together with an amount equal to all accrued and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the registered holders of any

shares of the Corporation ranking junior to the Series E Preferred Shares. After payment of such amounts, the holders of Series E Preferred Shares shall not be entitled to share in any further distribution of the assets of the Corporation.

**ARTICLE 13**  
**WITHHOLDING AND TRANSFER TAXES**

**13.1 Withholding Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule B, the Corporation shall be entitled to deduct and withhold any amounts required to be deducted and withheld on account of any taxes from any amounts (including shares) payable or otherwise deliverable in respect of the Series E Preferred Shares, including on the redemption, conversion or cancellation of the Series E Preferred Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such withholding was made.

**13.2 Transfer Taxes**

For greater certainty, and notwithstanding any other provision of this Schedule B, the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom Series E Preferred Shares are issued in connection with the conversion of Series D Preferred Shares into Series E Preferred Shares, in respect of the issuance of such Series E Preferred Shares or the certificate therefore, 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 of the Series E Preferred Shares 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.