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03-17-2000



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REGORDATION FORM COVER SHEET  
TRADEMARKS ONLY

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OPR/FINANCE

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger  
Effective Date  
Month Day Year  
2 1 00
- Change of Name
- Other \_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Name Imperial Tobacco Limited

Execution Date  
Month Day Year  
2 1 00

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization Canada

Receiving Party

Mark if additional names of receiving parties attached

Name Imasco Limited

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 600 de Maisonneuve Boulevard West, 20th Floor

Address (line 2) Montreal

Address (line 3) Quebec

Canada

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization Canada

03/17/2000 DMGUYEN 00000102 75783534

FOR OFFICE USE ONLY

01 FC:481  
02 FC:462

40.00 DP  
850.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

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<input type="text" value="75591067"/>	<input type="text" value="75603476"/>	<input type="text" value="75710681"/>
<input type="text" value="75580311"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1861964"/>	<input type="text" value="2009469"/>	<input type="text" value="1833455"/>
<input type="text" value="1974676"/>	<input type="text" value="1832387"/>	<input type="text" value="0621670"/>
<input type="text" value="1970977"/>	<input type="text" value="1832386"/>	<input type="text" value="1766121"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Douglas R. Wolf  
Name of Person Signing

  
Signature

February 17, 2000  
Date Signed

FORM PTO-1618C  
Expires 06/30/89  
OMB 0651-0027

# RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

### Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

### Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

### Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

#### Trademark Application Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
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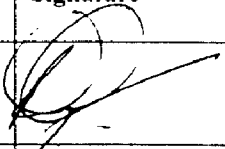
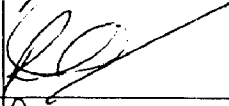
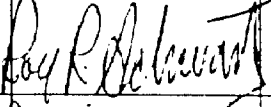

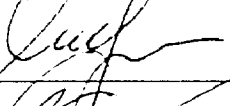

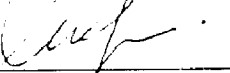
#### Registration Number(s)

1758665	1798868	1830042
1746001	0441264	1848694
1752813	1992772	1168624
1883874	2053201	0800910
2057639	2188779	1276481
1781665	2233377	1879991
2235663		

IMASCO LIMITED – IMASCO LIMITÉE

FORM 9 – ARTICLES OF AMALGAMATION

SCHEDULE III

9 – Name of the amalgamating corporations	Corporation No.	Signature	Date	Title
Imasco Limited – Imasco Limitée	0120120		February 1, 2000	Raymond E. Guyatt, Director
Shoppers Drug Mart Limited – Shoppers Drug Mart Limitée	1291301		February 1, 2000	Raymond E. Guyatt, Director
Imasco Enterprises Inc. – Les Entreprises Imasco Inc.	3331628		February 1, 2000	Roy R. Schwartz, Director
Imasco Financial Corporation – Corporation Financière Imasco	1786644		February 1, 2000	Roy R. Schwartz, Director
Imperial Tobacco Limited – Imperial Tobacco Limitée	0465780		February 1, 2000	Luc Jobin, Director
Imasco Capital Inc.	3089568		February 1, 2000	Raymond E. Guyatt, Director
The Tuckett Tobacco Company, Limited – Compagnie de Tabac Tuckett Limitée	0617679		February 1, 2000	Luc Jobin, Director

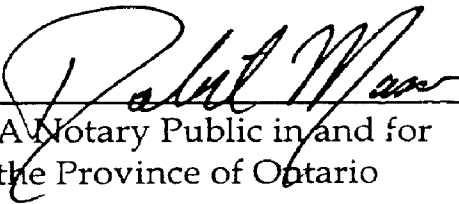
CANADA

PROVINCE OF ONTARIO

I, Robert Francis Kennedy Mason, a Notary Public in and for the Province of Ontario, by Royal Authority duly appointed, residing in the Municipality of Metropolitan Toronto in the Province of Ontario, do certify that the photostatic reproductions attached hereto as Exhibit "A" are true copies of the Certificate of Amalgamation and Articles of Amalgamation of Imasco Limited -Imasco Limitée dated February 1, 2000, and that I have carefully compared the said photostatic reproductions with the said original documents.

An act whereof being requested, I have granted the same under my notarial form and seal of office to serve and avail as occasion shall or may arise.

IN TESTIMONY WHEREOF I have hereto subscribed my name and affixed my seal at Toronto, Ontario this 1st day of February, 2000.

  
A Notary Public in and for  
the Province of Ontario

**EXHIBIT "A"**  
**True copy of Document**



**Certificate  
of Amalgamation**

**Canada Business  
Corporations Act**

**Certificat  
de fusion**

**Loi canadienne sur  
les sociétés par actions**

IMASCO LIMITED -

IMASCO LIMITÉE

371413-6

\_\_\_\_\_  
Name of corporation-Dénomination de la société

\_\_\_\_\_  
Corporation number-Numéro de la société

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

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

Director - Directeur

February 1, 2000 / le 1 février 2000

Date of Amalgamation - Date de fusion

Canada



1 — Name of amalgamated corporation / Dénomination de la société issue de la fusion  
**IMASCO LIMITED - IMASCO LIMITEE**

2 — The place in Canada where the registered office is to be situated / Lieu au Canada où doit être situé le siège social  
**District of Montreal, Province of Quebec**

3 — The classes and any maximum number of shares that the corporation is authorized to issue / Catégories et tout nombre maximal d'actions que la société est autorisée à émettre  
**The annexed Schedule I is incorporated in this Form.**

4 — Restrictions, if any, on share transfers / Restrictions sur le transfert des actions, s'il y a lieu  
**None.**

5 — Number (or minimum and maximum number) of directors / Nombre (ou nombre minimum et maximal) d'administrateurs  
**Not less than 8, not more than 18, as the board of directors may from time to time determine.**

6 — Restrictions, if any, on business the corporation may carry on / Limites imposées à l'activité commerciale de la société, s'il y a lieu  
**None.**

7 — Other provisions, if any / Autres dispositions, s'il y a lieu  
**The annexed Schedule II is incorporated in this Form.**

8 — The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows: / 8 — La fusion a été approuvée en accord avec l'article ou le paragraphe de la Loi indiqué ci-après.

183  
 184(1)  
 184(2)

9 — Name of the amalgamating corporations / Dénomination des sociétés fusionnantes	Corporation No. / N° de la société	Signature	Date	Title / Titre
The annexed Schedule III is incorporated in this Form.				

FOR DEPARTMENTAL USE ONLY — A L'USAGE DU MINISTÈRE SEULEMENT  
Corporation No. — N° de la société  
**37143-6**

Filed — Déposée  
**2/24/00**



IMASCO LIMITED – IMASCO LIMITÉE  
FORM 9 – ARTICLES OF AMALGAMATION

SCHEDULE I

INTERPRETATION

The following words and phrases used in this Schedule 1 shall, unless there be something in the context inconsistent therewith, have the following meanings:

"Act" means the Canada Business Corporations Act as from time to time amended or replaced.

"Corporation" means Imasco Limited - Imasco Limitée.

"Board of Directors" means the Board of Directors of the Corporation.

The classes of shares and, where applicable, the maximum number of shares that the Corporation is authorized to issue is as follows:

- (a) an unlimited number of First Preference Shares issuable in series (the "First Preference Shares") of which 300 have been designated Perpetual First Preference Shares Series D;
- (b) an unlimited number of Second Preference Shares issuable in series (the "Second Preference Shares"); and
- (c) 482,000,000 Common Shares.

The rights, privileges, restrictions and conditions attaching to each class of shares and to the Perpetual First Preference Shares Series D of the Corporation are hereinafter set forth.

1. FIRST PREFERENCE SHARES

1.1 The First Preference Shares may be issued at any time or from time to time in one or more series, each series to consist of such number of First Preference Shares as shall, before the issuance thereof, be determined by resolution of the Board of Directors. Each series of the First Preference Shares shall be appropriately designated by some distinguishing number, letter or title.

1.2 With respect to each series, the Board of Directors shall fix (subject to the provisions hereof), by resolution passed before the issuance of the First Preference Shares of such series, the designation, rights, privileges restrictions and conditions and other provisions to be attached to the First Preference Shares of such series, including, but without in any way limiting the generality of the foregoing,

- (i) the rate, amount or method of calculation of dividends and whether such rate, amount or method shall be subject to change or adjustment in the future,
- (ii) whether such dividends shall be cumulative, non-cumulative or partially cumulative.

- (iii) the date or dates, manner and currency or currencies of payment of such dividends,
- (iv) the date or dates from which such dividends shall accrue,
- (v) the restrictions, if any, respecting the payment of dividends on any Junior Shares (as hereinafter defined),
- (vi) the rights and obligations, if any, of the Corporation to purchase First Preference Shares of such series or to redeem the same and the prices and the other terms and conditions of any such purchase or redemption,
- (vii) the terms and conditions of any share purchase plan or sinking fund or similar fund providing for the purchase or redemption of First Preference Shares of such series,
- (viii) the rights of retraction, if any, vested in the holders of First Preference Shares of such series, and the prices and the other terms and conditions of any rights of retraction, and whether any additional rights of retraction may be vested in such holders in the future,
- (ix) the rights of conversion and/or exchange, if any, of First Preference Shares of such series, and the rates and the other terms and conditions of any such rights,
- (x) the voting rights, if any, attached to the First Preference Shares of such series as referred to in paragraph 1.6, and
- (xi) the amounts of the preferences over the Junior Shares with respect to the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

"Junior Shares" means the Second Preference Shares, the Common Shares and any other shares of the Corporation ranking junior to the First Preference Shares with respect to the payment of dividends and with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

1.3 The First Preference Shares of each series shall be entitled to preferences (as set forth in the provisions attaching to such series) over the Junior Shares with respect to priority in the payment of dividends and with respect to priority in the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; provided that, subject to paragraph 1.4, the First Preference Shares of each series may be given such other preferences over the Junior Shares as may be fixed by the Board of Directors as to the respective series authorized to be issued.

1.4 The First Preference Shares of each series shall rank on a parity with the First Preference Shares of every other series with respect to priority in the payment of dividends, if or to the extent that they are cumulative, and with respect to priority in the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

1.5 The holders of the First Preference Shares shall not be entitled as such to subscribe for, purchase or receive any part of any issue of shares, bonds, debentures or other securities of the Corporation now or hereafter authorized, or any rights to acquire the same, otherwise than in accordance with the conversion, exchange or other rights, if any, which may from time to time be attached to any series of the First Preference Shares.

1.6 Except as referred to in paragraph 1.7 or as required by law, the holders of the First Preference Shares as a class shall not be entitled as such to receive notice of or to attend or vote at any meeting of the shareholders of the Corporation. The holders of the First Preference Shares of a series shall not be entitled as such to receive notice of or to attend or vote at any meeting of the shareholders of the Corporation except as required by law and except that the Board of Directors may, with respect to any series of the First Preference Shares that carries the right to the periodic payment of dividends in a specified amount, by a specified method of calculation or at a specified rate, provide for the holders of such series to elect 2 members of the Board of Directors upon and subject to the following terms and conditions in addition to any other terms and conditions in this regard contained in the provisions attached to the First Preference Shares of such series. In the event that the Corporation shall fail to make in respect of such series of the First Preference Shares such number of periodic dividend payments as the Board of Directors shall have fixed in the provisions attached to the First Preference Shares of such series but not fewer than an aggregate of 8 quarterly dividend payments or the equivalent number of dividend payments if specified to be made on a semi-annual, annual or other periodic basis (whether consecutive quarterly payments or other periodic payments or not) whether or not the dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends (the date when such failure shall have occurred being herein called the "Dividend Default Date"), thereafter, and only so long as any dividend payments on such series of the First Preference Shares remain in arrears, the holders of the First Preference Shares of such series shall be entitled to receive notice of and to attend, but not to vote at, all meetings of the holders of the Common Shares of the Corporation except that the holders of the First Preference Shares of such series, voting separately as a series, shall be entitled to elect 2 members of the Board of Directors, provided that, if the holders of more than one series of the First Preference Shares are so entitled pursuant to this paragraph 1.6, the holders of all series of the First Preference Shares so entitled shall vote together in the election of the 2 members of the Board of Directors. Nothing herein contained shall be deemed to limit the right of the Corporation from time to time to increase or decrease the number or the minimum or maximum number of its Directors. The provisions attached to any series of the First Preference Shares that carries the right to the periodic payment of dividends in a specified amount, by a specified method of calculation or at a specified rate may require that, in the event that the Corporation shall fail to make in respect of such series of the First Preference Shares such number of periodic dividend payments as the Board of Directors shall have fixed in the provisions attached to the First Preference Shares of such series but not fewer than an aggregate of 4 quarterly dividend payments or the equivalent number of dividend payments if specified to be made on a semi-annual, annual or other periodic basis (whether consecutive quarterly payments or other periodic payments or not) whether or not the dividends have been declared and whether or not there are any monies of the Corporation properly applicable to the payment of dividends, thereafter, but only so long as any dividend payments on such series of the First Preference Shares remain in arrears, no Director of the Corporation shall be elected otherwise than for a term expiring at the close of the first meeting of shareholders called to elect Directors following any Dividend Default Date or the earlier of such meeting and any other date permitted by law or the Articles or By-laws of the Corporation. Notwithstanding anything contained in the By-laws of the Corporation, upon any termination of the voting rights of the holders of one or more series of the First Preference Shares as herein provided, the term of office of any Directors elected or appointed to represent such holders shall terminate.

1.7 The provisions attaching to the First Preference Shares as a class may be amended or repealed at any time with the approval of the holders of the First Preference Shares, which approval shall be deemed to have been sufficiently given if it shall have been given by a resolution passed at a meeting of holders of First Preference Shares duly called for that purpose and held on not less than 21 days' notice at which the holders of at least 33-1/3% of the outstanding First Preference Shares are present or are represented by proxy and carried by the affirmative vote of not less than 66-2/3% of the votes cast at such meeting, in addition to any other authorization, consent or approval required by the Act. If at such meeting the holders of 33-1/3% of the outstanding First Preference Shares are 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 being not less than 10 days thereafter and to such time and place as may be designated by the chairman, and not less than 7 days' notice shall be given of the reconvening of such adjourned meeting, but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of First Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66-2/3% of the votes cast at such meeting shall constitute the authorization, consent or approval of the holders of the First Preference Shares.

1.8 On any poll taken at any meeting of the holders of the First Preference Shares as a class or at any joint meeting of the holders of 2 or more series of the First Preference Shares, including, without in any way limiting the generality of the foregoing, any meeting for the purpose of obtaining any shareholder approval required to be given under paragraph 1.7 or under subsection 176(1) of the Act, each holder of First Preference Shares entitled to vote thereat shall have one one-hundredth of a vote in respect of each \$1.00, or its equivalent in a foreign currency at the date of issuance, of the stated value of each share held, and, subject to paragraph 1.7, the formalities to be observed with respect to the giving of notice of and voting at any such meeting (including, without in any way limiting the generality of the foregoing, the record dates for the giving of notice and the entitlement to vote), the quorum therefor and the conduct thereof shall mutatis mutandis be those from time to time prescribed by the By-laws of the Corporation with respect to meetings of shareholders.

1.9 Notwithstanding anything to the contrary in the Articles of the Corporation, the holders of the First Preference Shares shall not be entitled to vote separately as a class, and, unless the Articles of the Corporation otherwise provide, the holders of any series of the First Preference Shares shall not be entitled to vote separately as a series, upon a proposal to amend the Articles of the Corporation in the case of an amendment of a kind referred to in paragraphs (a), (b) and (e) of subsection 176(1) of the Act.

## 2. SECOND PREFERENCE SHARES

2.1 The Second Preference Shares may be issued at any time or from time to time in one or more series, each series to consist of such number of Second Preference Shares as shall, before the issuance thereof, be determined by resolution of the Board of Directors; each series of the Second Preference Shares shall be appropriately designated by some distinguishing number, letter or title.

2.2 With respect to each series, the Board of Directors shall fix (subject to the provisions hereof), by resolution passed before the issuance of the Second Preference Shares of such series, the designation, rights, privileges, restrictions and conditions and other provisions to be attached to the Second Preference Shares of such series, including, but without in any way limiting the generality of the foregoing,

- (i) the rate, amount or method of calculation of dividends and whether such rate, amount or method shall be subject to change or adjustment in the future,
- (ii) whether such dividends shall be cumulative, non-cumulative or partially cumulative,

- (iii) the date or dates, manner and currency or currencies of payment of such dividends,
- (iv) the date or dates from which such dividends shall accrue,
- (v) the restrictions, if any, respecting the payment of dividends on any Subordinate Shares (as hereinafter defined),
- (vi) the rights and obligations, if any, of the Corporation to purchase Second Preference Shares of such series or to redeem the same and the prices and the other terms and conditions of any such purchase or redemption,
- (vii) the terms and conditions of any share purchase plan or sinking fund or similar fund providing for the purchase or redemption of Second Preference Shares of such series,
- (viii) the rights of retraction, if any, vested in the holders of Second Preference Shares of such series, and the prices and the other terms and conditions of any rights of retraction, and whether any additional rights of retraction may be vested in such holders in the future,
- (ix) the rights of conversion and/or exchange, if any, of Second Preference Shares of such series, and the rates and the other terms and conditions of any such rights,
- (x) the voting rights, if any, attached to the Second Preference Shares of such series as referred to in paragraph 2.6, and
- (xi) the amounts of the preferences over the Subordinate Shares with respect to the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

"Subordinate Shares" means the Common Shares and any other shares of the Corporation ranking junior to the Second Preference Shares with respect to the payment of dividends and with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

2.3 The Second Preference Shares of each series shall be entitled to preferences (as set forth in the provisions attaching to such series) over the Subordinate Shares with respect to priority in the payment of dividends and with respect to priority in the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; provided that, subject to paragraph 2.4, the Second Preference Shares of each series may be given such other preferences over the Subordinate Shares as may be fixed by the Board of Directors as to the respective series authorized to be issued.

2.4 The Second Preference Shares of each series shall rank behind the First Preference Shares and shall rank on a parity with the Second Preference Shares of every other series with respect to priority in the payment of dividends, if or to the extent that they are cumulative, and with respect to priority in the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of

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

2.5 The holders of the Second Preference Shares shall not be entitled as such to subscribe for, purchase or receive any part of any issue of shares, bonds, debentures or other securities of the Corporation now or hereafter authorized, or any rights to acquire the same, otherwise than in accordance with the conversion, exchange or other rights, if any, which may from time to time be attached to any series of the Second Preference Shares.

2.6 Except as referred to in paragraph 2.7, or as required by law, the holders of the Second Preference Shares as a class shall not be entitled as such to receive notice of or to attend or vote at any meeting of the shareholders of the Corporation. The holders of the Second Preference Shares of a series shall not be entitled as such to receive notice of or to attend or vote at any meeting of the shareholders of the Corporation except as required by law and except that the Board of Directors may, with respect to any series of the Second Preference Shares that carries the right to the periodic payment of dividends in a specified amount, by a specified method of calculation or at a specified rate, provide for the holders of such series to elect 2 members of the Board of Directors upon and subject to the following terms and conditions in addition to any other terms and conditions in this regard contained in the provisions attached to the Second Preference Shares of such series. In the event that the Corporation shall fail to make in respect of such series of the Second Preference Shares such number of periodic dividend payments as the Board of Directors shall have fixed in the provisions attached to the Second Preference Shares of such series but not fewer than an aggregate of 8 quarterly dividend payments or the equivalent number of dividend payments if specified to be made on a semi-annual, annual or other periodic basis (whether consecutive quarterly payments or other periodic payments or not) whether or not the dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends (the date when such failure shall have occurred being herein called the "Dividend Default Date"), thereafter, and only so long as any dividend payments on such series of the Second Preference Shares remain in arrears, the holders of the Second Preference Shares of such series shall be entitled to receive notice of and to attend, but not to vote at, all meetings of the holders of the Common Shares of the Corporation except that the holders of the Second Preference Shares of such series, voting separately as a series, shall be entitled to elect 2 members of the Board of Directors, provided that, if the holders of more than one series of the Second Preference Shares are so entitled pursuant to this paragraph 2.6, the holders of all series of the Second Preference Shares so entitled shall vote together in the election of the 2 members of the Board of Directors. Nothing herein contained shall be deemed to limit the right of the Corporation from time to time to increase or decrease the number or the minimum or maximum number of its Directors. The provisions attached to any series of the Second Preference Shares that carries the right to the periodic payment of dividends in a specified amount, by a specified method of calculation or at a specified rate may require that, in the event that the Corporation shall fail to make in respect of such series of the Second Preference Shares such number of periodic dividend payments as the Board of Directors shall have fixed in the provisions attached to the Second Preference Shares of such series but not fewer than an aggregate of 4 quarterly dividend payments or the equivalent number of dividend payments if specified to be made on a semi-annual, annual or other periodic basis (whether consecutive quarterly payments or other periodic payments or not) whether or not the dividends have been declared and whether or not there are any monies of the Corporation properly applicable to the payment of dividends, thereafter, but only so long as any dividend payments on such series of the Second Preference Shares remain in arrears, no Director of the Corporation shall be elected otherwise than for a term expiring at the close of the first meeting of shareholders called to elect Directors following any Dividend Default Date or the earlier of such meeting and any other date permitted by law or the Articles or By-laws of the Corporation. Notwithstanding anything contained in the By-laws of the Corporation, upon any termination of the voting rights of the holders of one or more series of the Second Preference Shares as herein provided, the term of office of any Directors elected or appointed to represent such holders shall terminate.

2.7 The provisions attaching to the Second Preference Shares as a class may be amended or repealed at any time with the approval of the holders of the Second Preference Shares, which approval shall be deemed to have been sufficiently given if it shall have been given by a resolution passed at a meeting of holders of Second Preference Shares duly called for that purpose and held on not less than 21 days' notice at which the holders of at least 33-1/3% of the outstanding Second Preference Shares are present or are represented by proxy and carried by the affirmative vote of not less than 66-2/3% of the votes cast at such meeting, in addition to any other authorization, consent or approval required by the Act. If at such meeting the holders of 33-1/3% of the outstanding Second Preference Shares are 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 being not less than 10 days thereafter and to such time and place as may be designated by the chairman, and not less than 7 days' notice shall be given of the reconvening of such adjourned meeting, but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of Second Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66-2/3% of the votes cast at such meeting shall constitute the authorization, consent or approval of the holders of the Second Preference Shares.

2.8 On any poll taken at any meeting of the holders of the Second Preference Shares as a class or at any joint meeting of the holders of 2 or more series of the Second Preference Shares, including, without in any way limiting the generality of the foregoing, any meeting for the purpose of obtaining any shareholder approval required to be given under paragraph 2.7 or under subsection 176(1) of the Act, each holder of Second Preference Shares entitled to vote thereat shall have one one-hundredth of a vote in respect of each \$1.00, or its equivalent in a foreign currency at the date of issuance, of the stated value of each share held, and, subject to paragraph 2.7, the formalities to be observed with respect to the giving of notice of and voting at any such meeting (including, without in any way limiting the generality of the foregoing, the record dates for the giving of notice and the entitlement to vote), the quorum therefor and the conduct thereof shall mutatis mutandis be those from time to time prescribed by the By-laws of the Corporation with respect to meetings of shareholders.

2.9 Notwithstanding anything to the contrary in the Articles of the Corporation, the holders of the Second Preference Shares shall not be entitled to vote separately as a class, and, unless the Articles of the Corporation otherwise provide, the holders of any series of the Second Preference Shares shall not be entitled to vote separately as a series, upon a proposal to amend the Articles of the Corporation in the case of an amendment of a kind referred to in paragraphs (a), (b) and (e) of subsection 176(1) of the Act.

### 3. COMMON SHARES

3.1 The Common Shares shall entitle the holders thereof to one vote per Common Share at all meetings of shareholders, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares shall have the right, subject to the rights, privileges, restrictions and conditions attaching to any series of the First Preference Shares and any series of the Second Preference Shares, to receive any dividend declared on the Common Shares by the Corporation and the remaining property of the Corporation upon a dissolution.

3.2 Subject to paragraph 3.1, the holders of Common Shares shall not be entitled to vote separately as a class pursuant to subsection 176(1) of the Act upon a proposal to amend the Articles of the Corporation in the case of an amendment of a kind referred to in paragraphs (a), (b) and (e) of such subsection.

3.3 The Board of Directors may, but need not, determine at any time or from time to time, with respect to any cash dividend declared payable on the Common Shares, that the holders of such shares, or the holders of such shares whose addresses, in the records of the Corporation, are in Canada and/or in specified jurisdictions outside Canada, shall have the right to elect to receive such dividend in the form of a stock dividend payable in shares of such class of shares of the Corporation as is determined by the Board of Directors and having a value, as determined by the Board of Directors, that is substantially equivalent, as of a date determined by the Board of Directors, to the cash amount of such dividend, provided that shareholders shall receive cash in lieu of any fractional interests in shares to which they would otherwise be entitled unless the Board of Directors shall otherwise determine.

#### 4. PERPETUAL FIRST PREFERENCE SHARES SERIES D

4.1 The Perpetual First Preference Shares Series D (hereinafter called the "Series D First Preference Shares") shall, in addition to the rights, privileges, restrictions and conditions attaching to the First Preference Shares as a class, have the following rights, privileges, restrictions and conditions:

##### 4.1.1 Stated Value

The stated value of the Series D First Preference Shares shall be \$500,000 per share.

##### 4.2.1 PART I

All defined terms, used in Part I hereof and not defined therein, are defined and have the meaning ascribed to them in Part II hereof.

##### 4.2.1.1 Payment of Dividends

- (a) For the Initial Term, the holders of Series D First Preference Shares shall be entitled to receive (in priority to the holders of Junior Shares) and the Corporation shall pay thereon, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, in an amount determined in accordance with section 4.2.1.2(a) hereof, payable in equal quarterly instalments on the Dividend Payment Dates in each year, the first of which dividends shall be paid on June 30, 1989 and the last of which dividends shall be paid on June 30, 1994.
- (b) After expiry of the Initial Term, for each Dividend Period falling within a Corporation Determined Term, the holders of the Series D First Preference Shares shall be entitled to receive (in priority to the holders of Junior Shares) and the Corporation shall pay thereon, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends, in an amount determined in accordance with section 4.2.1.2(b) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.
- (c) After expiry of the Initial Term, for each Dividend Period falling within a Dealer Determined Term, the holders of the Series D First Preference Shares shall be entitled to receive (in priority to the holders of Junior Shares) and the Corporation shall pay thereon, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of



dividends, quarterly cumulative preferential cash dividends, in an amount determined in accordance with section 4.2.1.2(c) hereof, payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.

- (d) After expiry of the Initial Term, for each Auction Dividend Period falling within an Auction Term, the holders of the Series D First Preference Shares as they appear on the securities register of the Corporation on the applicable Auction Date shall be entitled to receive (in priority to the holders of Junior Shares) and the Corporation shall pay thereon, as and when declared by the Board of Directors, out of the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends, in an amount determined in accordance with section 4.2.1.2(d) hereof, payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.
- (e) The initial dividend on the Series D First Preference Shares shall accrue from and include the original date of issue of the Series D First Preference Shares, shall be payable on June 30, 1989 and shall be in an amount determined in accordance with section 4.2.1.2(a) hereof.

Cheques of the Corporation payable in lawful money of Canada, rounded to the nearest whole cent (\$0.01), shall be issued in respect of dividends on the Series D First Preference Shares (less any tax required to be deducted and withheld by the Corporation). The mailing by ordinary unregistered first class prepaid mail of such a cheque to a registered holder of Series D First Preference Shares to the address of such registered holder as it appears on the securities register of the Corporation, or if the address of any such holder does not so appear, then to the last known address of such holder, on or before the fifth Business Day next preceding the applicable Dividend Payment Date or the delivery by the Corporation or the Auction Manager of such cheque on or before the Auction Dividend Payment Date, as the case may be, shall be deemed to be payment and shall satisfy and discharge all liabilities for dividends payable on such Dividend Payment Date or Auction Dividend Payment Date to the extent of the amount represented thereby (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not paid on due presentation; no shareholder shall be entitled to recover by action or other legal process against the Corporation any dividend that is represented by a cheque that has not been duly presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of 5 years from the date on which it was payable.

#### 4.2.1.2 Amount of Dividends

- (a) The dividend to be paid on each Series D First Preference Share during the Initial Term shall be the amount of \$39,500 per annum (being equivalent to 7.90% of the stated value per share per annum) payable in equal quarterly instalments of \$9,875 on each Dividend Payment Date except the first dividend which shall be payable on June 30, 1989 and shall be in the amount of \$39,500 multiplied by a fraction of which the numerator is the number of days from and including the original date of issue of the Series D First Preference Shares to but excluding the first Dividend Payment Date and the denominator is 365.

- (b) After expiry of the Initial Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Series D First Preference Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$500,000 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.
- (c) After expiry of the Initial Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Series D First Preference Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying \$500,000 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.
- (d) After expiry of the Initial Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Series D First Preference Share on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:
  - (i) on the first Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Series D First Preference Share shall be the amount which is the product of (1) \$500,000, (2) 75% of the Bankers' Acceptance Rate (as defined in Part V hereof) where the Bankers' Acceptance Rate is determined on the first Business Day of such Auction Dividend Period and (3) the number of days in the first Auction Dividend Period, all divided by 365; and
  - (ii) on the second, and subsequent, Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Series D First Preference Share shall be the amount which is the product of (1) \$500,000, (2) the Current Dividend Rate for each such Auction Dividend Period, determined on the Auction Date immediately prior to the beginning of such Auction Dividend Period and (3) the number of days in such Auction Dividend Period, all divided by 365.
- (e) After expiry of the Initial Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Series D First Preference Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) \$500,000, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, and (3) the number of days in such Dividend Period, all divided by 365.

#### 4.2.1.3 Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Series D First Preference Shares then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Series D

First Preference Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

4.2.1.4 Redemption

The Series D First Preference Shares will not be redeemable prior to the end of the Initial Term. Subject to applicable law and to the Articles of the Corporation and to section 4.2.1.7, the Corporation may, upon giving notice as hereinafter provided, redeem at any time after the end of the Initial Term all or from time to time any of the then outstanding Series D First Preference Shares on payment for each share to be redeemed of an amount equal to \$500,000 together with an amount equal to all accrued and unpaid dividends thereon. Such amount is herein referred to as the "Redemption Price". If less than all of the then outstanding Series D First Preference Shares are to be redeemed, the Series D First Preference Shares to be redeemed shall be redeemed as nearly as may be pro rata from each of the holders of Series D First Preference Shares. Any Series D First Preference Share which is so redeemed shall be cancelled and not reissued.

4.2.1.5 Redemption Procedure

- (a) The Corporation shall, at least 30 days before the date specified for redemption of Series D First Preference Shares, mail or deliver to each person who, at the close of business on the last Business Day preceding the date of mailing, is a registered holder of Series D First Preference Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series D First Preference Shares. Notwithstanding the foregoing, if the Corporation gives notice of its intention to redeem Series D First Preference Shares on a Redemption Date (as hereinafter defined) which is during an Auction Term, such notice shall be given not less than 12 days prior to the date on which the redemption is to take place which date, in such event, must be an Auction Dividend Payment Date.
- (b) Such notice shall set out the Redemption Price and the date ("Redemption Date") on which redemption is to take place and, if part only of the Series D First Preference Shares held by the person to whom such notice is addressed is to be redeemed, the number thereof so to be redeemed. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series D First Preference Shares to be redeemed the Redemption Price therefor on presentation and surrender, at the registered office of the Corporation or any other place designated in such notice, of the certificates representing the Series D First Preference Shares so called for redemption. Such payment shall be made by cheque of the Corporation and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series D First Preference Shares so called for redemption to the extent of the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. If part only of the Series D First Preference Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the Redemption Date, the Series D First Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of certificates in accordance

with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after giving notice of its intention to redeem Series D First Preference Shares as aforesaid, to deposit the Redemption Price for the Series D First Preference Shares so called for redemption (or such of the said shares as may be represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption) in a special account in any chartered bank or any trust company in Canada named in such notice or in any subsequent notice to the holders of the shares in respect of which the deposit is made, provided that the amount deposited in such an account shall be paid to the holders of such shares upon presentation and surrender to such bank or trust company of the certificates representing such shares. The Redemption Price so deposited shall be paid on or after the Redemption Date without interest to or to the order of the respective holders of such Series D First Preference Shares called for redemption. Upon such deposit being made or upon the Redemption Date, whichever is the earlier, the Series D First Preference Shares in respect of which such deposit shall have been made, shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving, without interest, the Redemption Price of such Series D First Preference Shares so deposited (less any tax required to be and in fact deducted or withheld therefrom) upon presentation and surrender of the certificates representing the holder's shares so redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

Redemption moneys that are represented by a cheque which was mailed to a registered holder in accordance with this section 4.2.1.5 and which has not been duly presented for payment within, or that otherwise remain unclaimed (including moneys held on deposit as aforesaid) for a period of 5 years from the Redemption Date, shall be forfeited to the Corporation.

#### 4.2.1.6 Purchase for Cancellation

Subject to section 4.2.1.7, the Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Series D First Preference Shares outstanding from time to time at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable, but not exceeding \$500,000 per share plus all accrued and unpaid dividends and costs of purchase.

If any Series D First Preference Shares are to be purchased by tender the Corporation shall at least 30 days before the date specified for tender mail a notice of the invitation to tender to each person who at the close of business on the last Business Day preceding the date of mailing is a registered holder of Series D First Preference Shares. Such notice shall be mailed in a prepaid envelope addressed to each such holder at his address as it appears on the records of the Corporation or in the event of the address of any holder not so appearing then at the last known address of such holder, provided, however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such invitation or the ensuing tender. Such notice shall set out the date and the terms and conditions, if any, on which the tender and/or purchase is to be made. If more Series D First Preference Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher price or prices and, if more shares

are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at that price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series D First Preference Shares so tendered by each of the holders of the Series D First Preference Shares who submitted tenders at that price.

#### 4.2.1.7 Restriction on Dividends and Retirement of Shares

Without the approval of the holders of outstanding Series D First Preference Shares:

- (a) the Corporation shall not declare, pay or set apart for payment any dividends (other than stock dividends) on any Junior Shares;
- (b) the Corporation shall not call for redemption, redeem, purchase or otherwise retire for value or make any capital distribution on or in respect of Junior Shares (except out of the net cash proceeds of a substantially concurrent issue of Junior Shares);
- (c) the Corporation shall not call for redemption, redeem, purchase or otherwise retire for value less than all of the Series D First Preference Shares then outstanding; or
- (d) except in connection with the exercise of a retraction privilege or mandatory redemption provisions attaching thereto or except out of the net proceeds of a substantially concurrent issue of Junior Shares, the Corporation shall not call for redemption, redeem, purchase or otherwise retire for value any shares of the Corporation ranking on a parity with the Series D First Preference Shares, provided that, for greater certainty, the covenant of this clause (d) shall not limit or affect any such action in respect of any class of shares ranking in priority to the Series D First Preference Shares;

unless, in each case, all cumulative preferential dividends accrued on outstanding Series D First Preference Shares up to and including the dividend payable on the last preceding Dividend Payment Date or Auction Dividend Payment Date, as the case may be, shall have been declared and paid or set apart for payment or all of the outstanding Series D First Preference Shares have been called for redemption and the Redemption Price for same has been deposited in accordance with the provisions of section 4.2.1.5.

Notwithstanding the provisions of section 4.2.2.4, any approval of the holders of Series D First Preference Shares required to be given pursuant to this section 4.2.1.7 may be given in accordance with section 4.2.2.4 by the affirmative vote of or resolutions in writing by the holders of the majority of the Series D First Preference Shares.

#### 4.2.1.8 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Series D First Preference Shares shall be entitled to receive in lawful money of Canada \$500,000 per share together with an amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to the date of payment or distribution, the whole to be paid before any amount is paid or any property or assets of the Corporation are distributed to the holders of Junior Shares. Upon payment to the holders of record of the Series D First Preference Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

4.2.2 PART II

4.2.2.1 Interpretation and Application of Part I,  
Part III, Part IV and Part V

- (a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following expressions have the following meanings:
- (i) "Auction Dividend Payment Date" shall have the meaning ascribed to that term in Part V hereof;
  - (ii) "Auction Dividend Period" shall have the meaning ascribed to that term in Part V hereof;
  - (iii) "Auction Procedures" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Series D First Preference Shares from time to time during the Auction term;
  - (iv) "Auction Term" and "Auction Date" shall have the respective meanings ascribed to those terms in Part V hereof;
  - (v) "Business Day" shall have the meaning ascribed to that term in Part V hereof;
  - (vi) "Corporation Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part III hereof;
  - (vii) "Corporation Determined Term" shall have the meaning ascribed to that term in Part III hereof;
  - (viii) "Current Dividend Rate" shall have the meaning ascribed to that term in Part V hereof;
  - (ix) "Dealer Determined Quarterly Dividend Rate" shall have the meaning ascribed to that term in Part IV hereof;
  - (x) "Dealer Determined Term" shall have the meaning ascribed to that term in Part IV hereof;
  - (xi) "Dividend Payment Dates" shall mean the last day of each of the months of March, June, September and December in each year;
  - (xii) "Dividend Period" shall mean, with respect to the Initial Term, the period from and including the date of issue of the Series D First Preference Shares to but excluding 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 except for the first Dividend Period following an Auction Term in which case Dividend Period shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;

- (xiii) "Initial Term" shall mean the period from and including the date of issue of the Series D First Preference Shares to but excluding June 30, 1994;
- (xiv) the use of the terms "ranking in priority to" or "ranking on a parity with" or similar terms, whether used independently or in combination, mean and refer to the ranking of shares of different classes or series in respect of the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and
- (xv) "Settlement Date" shall have the meaning ascribed to that term in Part V hereof.

- (b) In the event that any date on which any dividend on the Series D First Preference Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.
- (c) In the event of the non-receipt of a cheque by a holder of Series D First Preference Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.
- (d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be used by the Corporation, at the earliest, in the period between 45 and 60 days prior to the expiry of the Initial Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term or a Dealer Determined Term or in any Auction Dividend Period, as the case may be, provided that, in such circumstances, such provisions are used not earlier than at least 45 and not more than 60 days prior to the end of the then current Corporation Determined Term or Dealer Determined Term or are used not earlier than at least 20 days and not more than 25 days prior to the end of any Auction Dividend Period, as the case may be.
- (e) The Provisions of Part IV hereof with respect to solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be used by the Corporation, at the earliest, 30 days prior to the expiry of the Initial Term and, thereafter, may be used by the Corporation from time to time during a Corporation Determined Term, a Dealer Determined Term or any Auction Dividend Period, as the case may be, provided that in such circumstances, such provisions are not used earlier than 30 days prior to the expiry of such Corporation Determined Term or Dealer Determined Term or are not used earlier than 12 days prior to the end of the relevant Auction Dividend Period, as the case may be.

- (f) The provisions of Part V hereof shall apply from and after the end of the Initial Term and from and after the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time the provisions of Part III or Part IV hereof are fully implemented in accordance with the terms of those Parts.
- (g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "accrued and unpaid dividends" means the aggregate of (i) all unpaid dividends on the Series D First Preference Shares in respect of any Dividend Payment Date for any completed Dividend Period and Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Series D First Preference Share had been accruing on a day to day basis in a manner consistent with section 4.2.1.2 hereof from the date of the most recently completed Dividend Period or Auction Dividend Period to the date on which the computation of accrued dividends is to be made provided that, for the purposes of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Series D First Preference Shares has been given pursuant to the provisions of section 4.2.1.5 or (y) the relevant date for the purposes of section 4.2.1.8, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term shall be for the period of 90 days ending on a day not more than 7 days prior to the date the written notice of redemption is given pursuant to the provisions of section 4.2.1.5 or on the date ending on the relevant date for the purposes of section 4.2.1.8, as the case may be.

#### 4.2.2.2 Notices

- (a) Any notice (other than a notice given pursuant to section 4.2.2.4 which shall be given in accordance with the provisions of that section) or other communication from the Corporation provided for in this Part, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail, to the holders of the Series D First Preference Shares at their respective addresses appearing on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. In addition, any notice or other communication from the Corporation during an Auction Term or a notice of the Corporation's intention to redeem Series D First Preference Shares on a day which is during an Auction Term shall also be given by telex, telecopier or telegraph communication. Accidental failure to give any notice or other communication to one or more holders of the Series D First Preference Shares shall not affect the validity of the notices or other communications properly given or any action, including the redemption of all or any part of the Series D First Preference Shares, taken pursuant to such properly given notice or other communication but, upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.



- (b) 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 the holder of any Series D First Preference Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:
- (i) give such notice by telex, telecopier or telegraph communication or by means of publication once in each of two successive weeks in a newspaper of general circulation published or distributed in Montreal and Toronto and such notice shall be deemed to have been given on the date on which such telex, telecopier or telegraph communication was given or on the date on which the first publication has taken place; and
  - (ii) fulfill the requirement to send such cheque or such share certificate by arranging for delivery thereof to the principal office of the Corporation in Montreal and Toronto, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (i) 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 ordinary unregistered first class prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such cheque or share certificate, or in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation.

#### 4.2.2.3 Modification

The provisions attached to the Series D First Preference Shares shall not be amended otherwise than with the prior approval of the holders of the Series D First Preference Shares, any such approval to be given in accordance with section 4.2.2.4.

#### 4.2.2.4 Approval of Holders of Series D First Preference Shares

Subject to the provisions of section 4.2.1.7, any approval required to be given hereunder at any time by the holders of the Series D First Preference Shares may be given in writing by the holders of not less than all the Series D First Preference Shares for the time being outstanding or by resolution adopted by at least 66-2/3% of the votes cast at a meeting or adjourned meeting of the holders of the Series D First Preference Shares who, at such meeting or adjourned meeting, shall have one vote thereat for each Series D First Preference Share then held by them respectively. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting of the holders of the Series D First Preference Shares, the conduct thereof and the quorum therefor shall, mutatis mutandis, be those prescribed in the Articles of the Corporation in respect of the meetings of the holders of First Preference Shares as a class.

#### 4.2.2.5 Tax Election

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

#### 4.2.3 PART III CORPORATION DETERMINED RATE PROCEDURES

##### 4.2.3.1 Definitions

- (a) "Average Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (b) "Average Prime Rate" shall have the meaning ascribed to that term in Part IV hereof;
- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning attributed thereto in section 4.2.5.1(i) of Part V hereof, provided, however, that for the purposes of this Part III references in section 4.2.5.1(i) of Part V to (i) the "Auction Date next preceding such Auction Dividend Period" shall be deemed to refer to the relevant date for determining the Corporation Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three-month bankers' acceptances and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to "Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date";
- (d) "Banks" shall have the meaning ascribed to that term in Part IV hereof;
- (e) "Corporation Determined Percentage" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section 4.2.3.2 of this Part III;
- (f) "Corporation Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the Corporation in its notice pursuant to section 4.2.3.2 of this Part III, which shall be one of:
  - (i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made taking into account the Average Prime Rate for the period consisting of the three calendar months ending on the last day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or

- (ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or
- (iii) a fixed annual percentage rate;
- (g) "Corporation Determined Term" shall mean a term, selected by the Corporation, consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or a Settlement Date on or after June 30, 1994 and terminating on the last day of the last Dividend Period selected by the Corporation, to which the provisions of this Part III shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto have been approved by the holders of the Series D First Preference Shares in accordance with section 4.2.3.3 of this Part III; and
- (h) "Daily Prime Rate" shall have the meaning ascribed to that term in Part IV hereof.

Terms defined in Part IV or Part V hereof and used but not defined in this Part III shall have the meaning attributed thereto in Part IV or Part V, as the case may be.

#### 4.2.3.2 Determination of New Dividend Rate

At least 45 and not more than 60 days before expiry of the Initial Term or the then current Corporation Determined Term or Dealer Determined Term or at least 20 and not more than 25 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation may notify the holders of Series D First Preference Shares of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term. Such notification to such holders shall also:

- (i) specify a date by which each holder must notify the Corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term, if such holder intends to accept such terms, which date shall be at least 35 days prior to the end of the Initial Term or to the then current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the relevant Auction Dividend Period, as the case may be; and
- (ii) specify that the proposed Corporation Determined Quarterly Dividend Rate and proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Series D First Preference Shares accept such terms.

4.2.3.3 Acceptance of Corporation Determined Quarterly Dividend Rate

If,

- (i) by the time prescribed in paragraph (i) of section 4.2.3.2 of this Part III, all of the holders of Series D First Preference Shares have accepted the Corporation Determined Quarterly Dividend Rate and the Corporation Determined Term as evidenced by notice in writing to the Corporation, and
- (ii) at least 30 days before expiry of the Initial Term or the then current Corporation Determined Term or Dealer Determined Term or at least 12 days before the end of the relevant Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such terms,

such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid to the holders of Series D First Preference Shares, from time to time, on each of the Series D First Preference Shares on each Dividend Payment Date for Dividend Periods during such Corporation Determined Term.

4.2.3.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part, the Board of Directors (or any person or persons designated by the Board of Directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Series D First Preference Shares upon request) shall be conclusive.

4.2.4 PART IV  
DEALER BIDS PROCEDURES

4.2.4.1 Definitions

- (a) "Average Daily Prime Rate" shall mean, for any day, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day provided that, if on such day there shall be no Daily Prime Rate for one or two of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other one Bank or the average of the Daily Prime Rates of the other two Banks, as the case may be, and further provided that if on such day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.5% above the average yield per annum on 91-day Government of Canada Treasury Bills as reported by the Bank of Canada for the most recent weekly tender preceding such day;

- (b) "Average Prime Rate" shall mean, for any period consisting of one or more days, the arithmetic average (rounded to the nearest one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period;
- (c) "Bankers' Acceptance Rate", for any day, shall have the meaning attributed thereto in section 4.2.5.1(i) of Part V hereof, provided, however, that for the purposes of this Part IV references in section 4.2.5.1(i) of Part V to (i) the "Auction Date next preceding such Auction Dividend Period" shall be deemed to refer to the relevant date for determining the Dealer Determined Quarterly Dividend Rate, (ii) "30-day bankers' acceptances" shall be deemed to refer to three-month bankers' acceptances and (iii) "Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date" shall be deemed to refer to "Government of Canada Treasury Bills maturing as nearly as possible three months from such relevant determination date";
- (d) "Banks" shall mean Royal Bank of Canada, Bank of Montreal and The Toronto-Dominion Bank, and the term "Bank" shall mean one of the Banks and, for the purposes of this definition, "Banks" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks;
- (e) "Daily Prime Rate" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such Bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;
- (f) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a dealer in this Part IV;
- (g) "Dealer Determined Percentage" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section 4.2.4.2(b) of this Part IV;
- (h) "Dealer Determined Quarterly Dividend Rate" shall mean one-quarter of the annual dividend rate specified by the Dealer in the Accepted Dealer Offer which shall be one of:
  - (i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made taking into account the Average Prime Rate for the period consisting of the three calendar months ending on the last day of the calendar month prior to the month during which the Dividend Payment Date for which the determination is being made falls, or
  - (ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made, or
  - (iii) a fixed annual percentage rate;

- (i) "Dealer Determined Term" shall mean a term selected by a Dealer consisting of one or more consecutive Dividend Periods commencing on a Dividend Payment Date or Settlement Date on or after June 30, 1994 and terminating on the last day of the last Dividend Period selected by such Dealer to which the provisions of this Part IV shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such Term;
- (j) "Dealer Offer" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Series D First Preference Shares on the day of expiry of the Initial Term or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, at a purchase price per Series D First Preference Share equal to \$500,000 and containing the information specified in section 4.2.4.2(b) of this Part IV;
- (k) "Dealer Response Date" shall have the meaning ascribed thereto in section 4.2.4.2(a) of this Part IV;
- (l) "Notice Requesting Bids" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section 4.2.4.2(a) of this Part IV; and
- (m) "Notification to Holders" shall mean the notification from the Corporation to holders of Series D First Preference Shares of the acceptance of a Dealer Offer as provided for in section 4.2.4.2(d) of this Part IV.

Terms defined in Part V hereof and used but not defined in this Part IV shall have the meanings attributed thereto in Part V.

#### 4.2.4.2 Bids by Dealers

- (a) At least 25 and not more than 30 days before expiry of the Initial Term, at least 25 and not more than 30 days prior to the end of each Corporation Determined Term or Dealer Determined Term and at least 10 days and not more than 13 days prior to the end of the relevant Auction Dividend Period, as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Series D First Preference Shares. Such solicitation shall be contained in a notice ("Notice Requesting Bids") to be sent by the Corporation to such Dealers, which notice shall:
  - (i) invite each Dealer to submit to the Corporation a Dealer Offer; and
  - (ii) specify a date, which shall be not more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall not be more than 5 days after the giving of such notice, by which any such offer must be received (the "Dealer Response Date") by the Corporation.
- (b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies:

- (i) a Dealer Determined Quarterly Dividend Rate (and, in connection therewith, unless a fixed rate is specified, the Dealer Determined Percentage of the Average Prime Rate or Bankers' Acceptance Rate, as the case may be);
- (ii) a Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2.4.2(b) will apply; and
- (iii) the amount of any fee to be paid by the Corporation to the Dealer in connection with the purchase of Series D First Preference Shares pursuant to the Dealer Offer.

(c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before 15 days prior to expiry of the Initial Period or the then current Corporation Determined Term or Dealer Determined Term or on or before 5 days prior to the end of the relevant Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts ("Accepted Dealer Offer"). The Dealer whose Dealer Offer is accepted will be required to purchase all of the Series D First Preference Shares not retained by the existing holders on the day of the expiry of the Initial Term or the then current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, on the terms and subject to the conditions contained in the Accepted Dealer Offer.

(d) Concurrently with its acceptance of a Dealer Offer, and in any event not later than 15 days prior to expiry of the Initial Term or the then current Corporation Determined Term or Dealer Determined Term or not later than 5 days prior to the end of the relevant Auction Dividend Period, as the case may be, the Corporation shall notify ("Notification to Holders") each existing holder of Series D First Preference Shares that the Corporation has accepted a Dealer Offer. Such notification shall:

- (i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Series D First Preference Shares;
- (ii) the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section 4.2.4.2(d) will apply;
- (iii) notify such holders of the right of each holder either to sell all or some of the Series D First Preference Shares it holds to such Dealer or to continue to hold all or some of the Series D First Preference Shares it then holds;
- (iv) notify such holders of the date (which shall be on or before the sixth day prior to the expiry of the Initial Term or the then current Corporation Determined Term, Dealer Determined Term or on or before the second day prior to the expiry of the relevant Auction Dividend Period, as the case may be) by which such holder must notify in writing the Corporation and the Dealer whose Dealer Offer has been accepted of its decision to sell some or all of the Series D First Preference Shares it holds as provided for in section 4.2.4.2(e) of this Part IV; and

- (v) identify the Dealer whose Dealer Offer has been accepted.
- (e) Upon receipt of the Notification to Holders, an existing holder of Series D First Preference Shares may elect to sell Series D First Preference Shares in accordance with the terms specified in such Notification to Holders by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Series D First Preference Shares who elects to sell all or a part of its holdings of Series D First Preference Shares shall, together with such notice, deposit the certificate or certificates representing Series D First Preference Shares which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Series D First Preference Shares may be transferred or at any other place or places in Canada specified by the Corporation to holders of the Series D First Preference Shares in the Notification to Holders. If a holder of Series D First Preference Shares wishes to sell only some of the Series D First Preference Shares represented by any share certificate or certificates, the holder may deposit the certificate or certificates with the Corporation, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Series D First Preference Shares which are not being delivered for sale. Any holder of Series D First Preference Shares that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Series D First Preference Shares then held by it subject to the terms and conditions as to the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Series D First Preference Shares pursuant to the provisions of this Part IV and shall also bind the Dealer in question.
- (f) At least one Business Day prior to the end of the Initial Term, or the then current Corporation Determined Term or Dealer Determined Term or any Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section 4.2.4.2(e) of this Part IV and of the identity of the vendor or vendors thereof.
- (g) On the day of expiry of the Initial Term, the Corporation Determined Term, Dealer Determined Term or on the Settlement Date immediately following the expiry of the relevant Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer will purchase the Series D First Preference Shares from the holders specified in section 4.2.4.2(f) of this Part IV, at the purchase price as set out in section 4.2.4.1(j) of this Part IV. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer shall deposit with the Corporation, at its registered office, on or prior to noon (Montréal time) on such date, a certified cheque payable to the Corporation, as agent for the vendors referred to in section 4.2.4.2(f) of this Part IV, representing the aggregate purchase price of the Series D First Preference Shares



to be purchased pursuant to this section 4.2.4.2(g) together with a direction as to registration particulars with respect to such Series D First Preference Shares to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendors at the registered office of the Corporation cheques payable to the vendors in payment of the purchase price for such Series D First Preference Shares.

#### 4.2.4.3 Termination of Application

Notwithstanding the acceptance of a Dealer Offer as provided for in this Part IV, the Corporation may notify the holders that the Corporation does not intend to proceed to implement application of the Dealer Determined Quarterly Dividend Rate and Dealer Determined Term as set forth in the Notification to Holders provided that such notification is given by the Corporation to existing holders on or before expiry of the Initial Term or the then current Corporation Determined Term or Dealer Determined Term or the relevant Auction Dividend Period, as the case may be. In such circumstances, the provisions of Part V hereof shall be applied in accordance with such Part and, for greater certainty, the Dealer whose Dealer Offer has been accepted, shall not be obliged to purchase any Series D First Preference Shares pursuant to such Dealer Offer. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry of any subsequent Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, to implement the provisions of this Part IV by forwarding a Notice Requesting Bids to one or more Dealers.

#### 4.2.4.4 Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part, the Board of Directors (or any person or persons designated by the Board of Directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with such inconsistency, ambiguity or uncertainty and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Series D First Preference Shares upon request) shall be conclusive.

### 4.2.5 PART V AUCTION PROCEDURES

#### 4.2.5.1 Certain Definitions

For the purposes of Part V hereof the following expressions have the following meaning:

- (a) "Auction" shall mean the periodic operation of the procedures set forth in this Part;
- (b) "Auction Date" shall mean the first Tuesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Tuesday is not a Business Day, the next preceding Business Day;
- (c) "Auction Dividend Payment Date" shall mean the first Business Day following the Settlement Date;

- (d) "Auction Dividend Period" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the immediately preceding Dividend Payment Date to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date;
- (e) "Auction Manager" shall mean the person or any successor thereto, duly appointed or to be appointed as Auction Manager in respect of the Series D First Preference Shares and entering into an Auction Manager Agreement with the Corporation;
- (f) "Auction Manager Agreement" shall mean an agreement to be made between the Auction Manager and the Corporation which will provide, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Series D First Preference Shares;
- (g) "Auction Term" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures in this Part V apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;
- (h) "Available Shares" shall have the meaning specified in paragraph (i) of section 4.2.5.4(a) of this Part;
- (i) "Bankers' Acceptance Rate" shall mean with respect to any Auction Dividend Period, the rate per annum equal to
  - (A) the simple average (rounded to the nearest one-hundredth of one percent (0.01%)) of the rates per annum quoted by RBC Dominion Securities Inc. (or any successor) and Wood Gundy Inc. (or any successor) where such rates per annum, quoted by such dealers, are equal to the simple average (rounded to the nearest one-hundredth of one percent (0.01%)) of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor) and Wood Gundy Inc. (or any successor) (rounded upward to the nearest one-thousandth of one percent (0.001%)), as at 10:00 a.m., Montréal time, on the Auction Date next preceding each Auction Dividend Period, on 30-day bankers' acceptances accepted by such of the Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Royal Bank of Canada and The Bank of Nova Scotia (or their respective successors) as are accepting 30-day bankers' acceptances on such Auction Date;
  - (B) in the event of RBC Dominion Securities Inc. (or any successor) and Wood Gundy Inc. (or any successor) is unable or does not for any reason quote the bid and ask rates per annum referred to in section 4.2.5.1(i)(A) above as at 10:00 a.m., Montréal time on such Auction Date, such rate shall be the simple average rounded to the nearest one-hundredth of one percent (0.01%) of the bid and ask rates per annum on such date quoted by the other; or

- (C) in the event that both RBC Dominion Securities Inc. (or any successor) and Wood Gundy Inc. (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Montréal time, on such Auction Date (including without limitation, where none of the Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Royal Bank of Canada or The Bank of Nova Scotia is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (A) or (B) above, such rate shall be 0.2% plus the simple average (rounded to the nearest one-hundredth of one percent (0.01%)) of each rate per annum which is equal to the simple average (rounded to the nearest one-hundredth of one percent (0.01%)) of the bid and ask rates of the yields to maturity quoted by each of RBC Dominion Securities Inc. (or any successor), Wood Gundy Inc. (or any successor) (rounded upward to the nearest one-thousandth of one percent (0.001%)), as of 10:00 a.m., Montréal time on such Auction Date, on Government of Canada Treasury Bills maturing as nearly as possible 30 days from such Auction Date;
- (j) "Bid" and "Bids" shall have the respective meanings specified in section 4.2.5.2(a) of this Part;
- (k) "Bidder" and "Bidders" shall have the respective meanings specified in section 4.2.5.2(a) of this Part;
- (l) "Business Day" shall mean a day on which both The Montreal Exchange and The Toronto Stock Exchange or any successor facilities and the Auction Manager are open for business;
- (m) "Current Dividend Rate" shall be the rate per annum which has been determined in accordance with section 4.2.5.4(b) of this Part for the next succeeding Auction Dividend Period;
- (n) "Dealer" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part that has entered into a Dealer Agreement with the Auction Manager that remains effective;
- (o) "Dealer Agreement" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part;
- (p) "Existing Holder" shall mean a holder of Series D First Preference Shares (i) who has signed a Purchaser's Letter, (ii) who has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section 4.2.5.2(a) of this Part V, and (iii) who is registered in the ledger maintained by the Auction Manager in respect of holders of Series D First Preference Shares;
- (q) "held by" with respect to any Series D First Preference Shares registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder;

- (r) "Hold Order" and "Hold Orders" shall have the respective meanings specified in section 4.2.5.2(a) of this Part;
- (s) "Maximum Rate" with respect to any Auction Dividend Period shall mean 0.40% plus the Bankers' Acceptance Rate determined on the Auction Date;
- (t) "Order" and "Orders" shall have the respective meanings specified in section 4.2.5.2(a) of this Part;
- (u) "Potential Holder" shall mean any person, including any Existing Holder, (i) who has executed a Purchaser's Letter, (ii) who has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section 4.2.5.2(a) of this Part V and (iii) who may be interested in acquiring Series D First Preference Shares (or, in the case of an Existing Holder, additional Series D First Preference Shares);
- (v) "Purchaser's Letter" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part in the event such person participates in an Auction;
- (w) "Remaining Shares" shall have the meaning specified in paragraph (iv) of section 4.2.5.5(a) of this Part;
- (x) "Sell Order" and "Sell Orders" shall have the respective meanings specified in section 4.2.5.2(a) of this Part;
- (y) "Settlement Date" shall mean the first Business Day following the Auction Date;
- (z) "Submission Deadline" shall mean 11:00 a.m., Montréal time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;
- (aa) "Submitted Bid" and "Submitted Bids" shall have the respective meanings specified in section 4.2.5.4(a) of this Part;
- (bb) "Submitted Hold Order" and "Submitted Hold Orders" shall have the respective meanings specified in section 4.2.5.4(a) of this Part;
- (cc) "Submitted Order" and "Submitted Orders" shall have the respective meanings specified in section 4.2.5.4(a) of this Part;
- (dd) "Submitted Sell Order" and "Submitted Sell Orders" shall have the respective meanings specified in section 4.2.5.4(a) of this Part;
- (ee) "Sufficient Clearing Bids" shall have the meaning specified in section 4.2.5.4(a) of this Part; and
- (ff) "Winning Bid Rate" shall be the rate per annum determined in accordance with section 4.2.5.4(a) of this Part.

4.2.5.2 Orders by Existing Holders and Potential Holders

(a) Prior to the Submission Deadline on each Auction Date:

- (i) each Existing Holder may submit to a Dealer information as to the number of Series D First Preference Shares, if any, held by such Existing Holder which such Existing Holder:
  - (A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period; and/or
  - (B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Auction Dividend Period shall not be less than the rate per annum specified by such Existing Holder; and/or
  - (C) offers to sell without regard to the Current Dividend Rate for the next succeeding Auction Dividend Period;

and

- (ii) Potential Holders may submit to a Dealer offers to purchase Series D First Preference Shares, provided that any such offer shall be effective only if the Current Dividend Rate for the next succeeding Dividend Period shall not be less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section 4.2.5.2(a) is an "Order" and, collectively, are "Orders", and each Existing Holder and each Potential Holder placing an Order is a "Bidder" and, collectively, are "Bidders"; an Order containing the information referred to in subparagraph (i)(A) of this section 4.2.5.2(a) is a "Hold Order" and, collectively, are "Hold Orders"; an Order containing the information referred to in subparagraph (i)(B) or paragraph (ii) of this section 4.2.5.2(a) is a "Bid" and, collectively, are "Bids"; and an Order containing the information referred to in subparagraph (i)(C) of this section 4.2.5.2(a) is a "Sell Order" and, collectively, are "Sell Orders".

- (b) (i) A Bid by an Existing Holder shall constitute an irrevocable offer to sell:
  - (A) the number of Series D First Preference Shares specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the specified rate; or
  - (B) the specified number of Series D First Preference Shares or a lesser number to be determined as set forth in paragraph (iv) of section 4.2.5.5(a) if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (C) the number of Series D First Preference Shares specified in such Bid if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or

- (D) a lesser number of Series D First Preference Shares to be determined as set forth in paragraph (iii) of section 4.2.5.5(b) if the specified rate is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.
- (ii) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:
  - (A) the number of Series D First Preference Shares specified in such Sell Order; or
  - (B) a lesser number of Series D First Preference Shares to be determined as set forth in paragraph (iii) of section 4.2.5.5(b) if Sufficient Clearing Bids do not exist.
- (iii) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase:
  - (A) the number of Series D First Preference Shares specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the specified rate; or
  - (B) the specified number or a lesser number of Series D First Preference Shares to be determined as set forth in paragraph (v) of section 4.2.5.5(a) if the Winning Bid Rate determined on such Auction Date is equal to the specified rate; or
  - (C) the specified number of Series D First Preference Shares if the specified rate is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.

#### 4.2.5.3 Submission of Orders by Dealers to the Auction Manager

- (a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order:
  - (i) the name of the Bidder placing such Order;
  - (ii) the aggregate number of Series D First Preference Shares that are the subject of the Order;
  - (iii) to the extent that the Bidder is an Existing Holder, the number of Series D First Preference Shares, if any, subject to any:
    - (A) Hold Order placed by such Existing Holder;
    - (B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or
    - (C) Sell Order placed by such Existing Holder; and
  - (iv) to the extent that the Bidder is a Potential Holder, the dividend rate per annum specified in the Bid of such Potential Holder.

- (b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001%).
- (c) If for any reason an Order or Orders covering in the aggregate all the Series D First Preference Shares held by any Existing Holder are not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Series D First Preference Shares held by such Existing Holder and not subject to Orders submitted to the Auction Manager.
- (d) If one or more Orders covering in the aggregate more than the number of Series D First Preference Shares held by any Existing Holder are submitted to the Auction Manager, such Orders shall be considered valid as follows and in the following order of priority:
  - (i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Series D First Preference Shares held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Series D First Preference Shares subject to such Hold Orders exceeds the number of Series D First Preference Shares held by such Existing Holder, the number of Series D First Preference Shares subject to each such Hold Order shall be reduced pro rata to cover the number of Series D First Preference Shares held by such Existing Holder;
  - (ii) (A) Any Bid shall be considered valid up to and including the excess of the number of Series D First Preference Shares held by such Existing Holder over the number of Series D First Preference Shares subject to any Hold Order referred to in paragraph (i) of this section 4.2.5.3(d);
    - (B) Subject to subparagraph (ii)(A) of this section 4.2.5.3(d), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Series D First Preference Shares subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Series D First Preference Shares subject to each Bid with the same rate shall be reduced pro rata to cover the number of Series D First Preference Shares equal to such excess;
    - (C) Subject to subparagraph (ii)(A) of this section 4.2.5.3(d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and
    - (D) In any such event, the number, if any, of such Series D First Preference Shares subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Series D First Preference Shares held by such Existing Holder over the sum of the Series D First Preference Shares subject to Hold Orders referred to in paragraph (i) of this section 4.2.5.3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this section 4.2.5.3(d).

(e) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate therein specified.

4.2.5.4 Determination of Sufficient Clearing Bids, Winning Bid Rate and Current Dividend Rate

(a) On the Submission Deadline on each Auction Date, the Auction Manager shall assemble all Orders submitted or deemed submitted to it by the Dealers (each such Order as submitted or deemed submitted by a Dealer being individually a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or a "Submitted Order" and, collectively, "Submitted Hold Orders", "Submitted Bids" or "Submitted Sell Orders", as the case may be, or "Submitted Orders") and shall determine:

(i) the excess of (a) the total number of Series D First Preference Shares issued and outstanding over (b) the number of Series D First Preference Shares that are the subject of Submitted Hold Orders (such excess being the "Available Shares");

(ii) from the Submitted Orders, whether:

(A) the number of Series D First Preference Shares that are the subject of Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate;

exceeds or is equal to the sum of:

(B) (I) the number of Series D First Preference Shares that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate; and

(II) the number of Series D First Preference Shares that are the subject of Submitted Sell Orders;

and if such excess or equality exists (other than because all of the Series D First Preference Shares are the subject of Submitted Hold Orders), then such Submitted Bids in subparagraph (A) hereof shall be "Sufficient Clearing Bids"; and

(iii) if Sufficient Clearing bids exist, the lowest rate specified in the Submitted Bids which if the Auction Manager accepted:

(A) (I) each Submitted Bid from Existing Holders specifying that lowest rate, and



- (II) all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Series D First Preference Shares that are the subject of those Submitted Bids; and
- (B) (I) each Submitted Bid from Potential Holders specifying such rate, and
- (II) all other Submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Series D First Preference Shares that are the subject of those Submitted Bids;

would result in such Existing Holders described in subparagraph (A) hereof continuing to hold an aggregate number of Series D First Preference Shares which, when added to the aggregate number of Series D First Preference Shares to be purchased by such Potential Holders described in subparagraph (B) hereof, would equal not less than the number of Available Shares. This lowest rate is the "Winning Bid Rate".

- (b) Promptly after the Auction Manager has made the determinations pursuant to section 4.2.5.4(a) of this Part, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Series D First Preference Shares for the next succeeding Auction Dividend Period (the "Current Dividend Rate") as follows:
  - (i) if Sufficient Clearing Bids exist, the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;
  - (ii) if Sufficient Clearing Bids do not exist (other than because all of the Series D First Preference Shares are the subject of Submitted Hold Orders), that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or
  - (iii) if all of the Series D First Preference Shares are the subject of Submitted Hold Orders, that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined at 10:00 a.m. Montréal time on the Auction Date.

#### 4.2.5.5 Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section 4.2.5.4(a) of this Part, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:

- (a) If Sufficient Clearing Bids have been made, subject to the provisions of sections 4.2.5.5(c) and 4.2.5.5(d) of this Part, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:
- (i) (A) the Submitted Sell Order of each Existing Holder shall be accepted and (B) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Series D First Preference Shares that are the subject of such Submitted Sell Order and such Submitted Bid;
  - (ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Series D First Preference Shares that are the subject of such Submitted Bid;
  - (iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Series D First Preference Shares that are the subject of such Submitted Bid;
  - (iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Series D First Preference Shares that are the subject of such Submitted Bid, unless the number of Series D First Preference Shares subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Series D First Preference Shares subject to Submitted Bids described in paragraphs (ii) and (iii) of this section 4.2.5.5(a) (the "Remaining Shares"). In this event, the Submitted Bids of each such Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Series D First Preference Shares, but only in an amount equal to the difference between (A) the number of Series D First Preference Shares then held by such Existing Holder subject to such Submitted Bid and (B) the number of Series D First Preference Shares obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Series D First Preference Shares held by such Existing Holder subject to such Submitted Bid, and the denominator of which shall be the sum of the number of Series D First Preference Shares subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and
  - (v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the number of Series D First Preference Shares obtained by multiplying (A) the difference between the total number of Available Shares and the number of Series D First Preference Shares subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this section 4.2.5.5(a) by (B) a fraction, the numerator of which shall be the number of Series D First Preference Shares subject to such Submitted Bid and the denominator of which shall be the sum of the number of Series D First

Preference Shares subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

- (b) If Sufficient Clearing Bids have not been made (other than because all of the Series D First Preference Shares are subject to Submitted Hold Orders), subject to the provisions of sections 4.2.5.5(c) and 4.2.5.5(d) of this Part, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:
- (i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Series D First Preference Shares that are the subject of such Submitted Bid;
  - (ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Series D First Preference Shares that are the subject of such Submitted Bid; and
  - (iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Series D First Preference Shares then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Series D First Preference Shares obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Series D First Preference Shares subject to Submitted Bids described in paragraphs (i) and (ii) of this section 4.2.5.5(b) by (y) a fraction, the numerator of which shall be the number of Series D First Preference Shares held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the number of Series D First Preference Shares subject to all such Submitted Bids and Submitted Sell Orders;
- (c) If, as a result of the procedures described in sections 4.2.5.5(a) or 4.2.5.5(b) of this Part, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Series D First Preference Share on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Series D First Preference Shares to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be whole Series D First Preference Shares;
- (d) If, as a result of the procedures described in section 4.2.5.5(a) of this Part, any Potential Holder would be entitled or required to purchase a fraction of a Series D First Preference Share on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole Series D First Preference Shares are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Series D First Preference Shares on such Auction Date; and

- (e) Based on the result of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Series D First Preference Shares an Existing Holder or Existing Holders shall sell Series D First Preference Shares being sold by such Existing Holder or Existing Holders. Such purchases and sales of Series D First Preference Shares shall be completed on the Settlement Date by payment by each Potential Holder purchasing Series D First Preference Shares of the aggregate purchase price of the Series D First Preference Shares to be purchased equal to \$500,000 per Series D First Preference Share against delivery by each Existing Holder selling Series D First Preference Shares of the number of Series D First Preference Shares being sold.

4.2.5.6 Miscellaneous

Notwithstanding the provisions of Part V hereof, the Auction Manager shall not follow the Auction Procedures herein on the Auction Date immediately preceding: (i) the Redemption Date in the event that written notice of redemption of all the outstanding Series D First Preference Shares has been given pursuant to the provisions of section 4.2.1.5 of Part I hereof or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part, the Board of Directors (or any person or persons designated by the Board of Directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty and any such determination evidenced by a certificate of the Corporate Secretary of the Corporation (which shall be provided to holders of Series D First Preference Shares upon request) shall be conclusive.

IMASCO LIMITED – IMASCO LIMITÉE  
FORM 9 – ARTICLES OF AMALGAMATION

SCHEDULE II

7. Other provisions, if any

The board of directors may, without limit to their powers under the Act, from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue sell or pledge debt obligations of the Corporation;
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any debt obligation of the Corporation; and
- (d) guarantee liabilities or debt obligations of any other person.

The directors shall have the right to appoint from time to time one or more directors in accordance with the laws governing the Corporation.

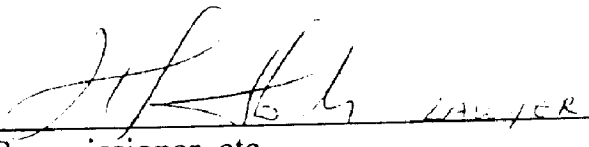
**IN THE MATTER OF the *Canada Business Corporations Act*  
and the Articles of Amalgamation of Imasco Limited, Shoppers  
Drug Mart Limited, Imasco Enterprises Inc., Imasco Financial  
Corporation, Imperial Tobacco Limited, Imasco Capital Inc.  
and The Tuckett Tobacco Company, Limited**

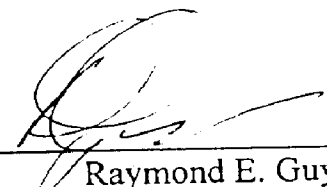
I, Raymond E. Guyatt, of the City of Westmount, in the Province of Quebec, do solemnly declare that:

1. I am a director and the Executive Vice-President and Chief Financial Officer of Imasco Limited (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
27<sup>th</sup> day of January, 2000.

  
\_\_\_\_\_  
A Commissioner, etc.  
HELENE FLECHT

  
\_\_\_\_\_  
Raymond E. Guyatt

**IN THE MATTER OF the *Canada Business Corporations Act*  
and the Articles of Amalgamation of Imasco Limited, Shoppers  
Drug Mart Limited, Imasco Enterprises Inc., Imasco Financial  
Corporation, Imperial Tobacco Limited, Imasco Capital Inc.  
and The Tuckett Tobacco Company, Limited**

I, K.A. Sloan, of the City of Toronto, in the Province of Ontario do solemnly declare that:

1. I am the Senior Executive Vice-President, Finance of Shoppers Drug Mart Limited (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Toronto, in the Province of Ontario, this  
26<sup>th</sup> day of January, 2000.

JEFFREY ADAM MANDELL, a Commissioner, etc.,  
Province of Ontario, while a student-at-law.  
Expires May 31, 2002.

A Commissioner, etc.



K.A. Sloan

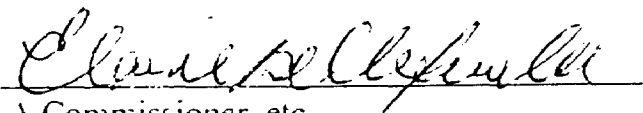
**IN THE MATTER OF the *Canada Business Corporations Act*  
and in the Articles of Amalgamation of Imasco Limited,  
Shoppers Drug Mart Limited, Imasco Enterprises Inc., Imasco  
Financial Corporation, Imperial Tobacco Limited, Imasco  
Capital Inc. and The Tuckett Tobacco Company, Limited**

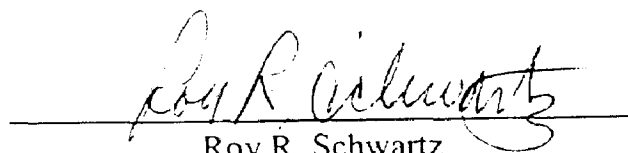
I, Roy R. Schwartz, of the City of Westmount, in the Province of Quebec, do solemnly declare that:

1. I am a director and the Senior Vice-President of Imasco Enterprises Inc. (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
*27th* day of January, 2000.

  
A Commissioner, etc.

  
Roy R. Schwartz



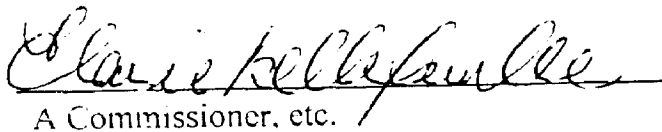
**IN THE MATTER OF the *Canada Business Corporations Act*  
and in the Articles of Amalgamation of Imasco Limited,  
Shoppers Drug Mart Limited, Imasco Enterprises Inc., Imasco  
Financial Corporation, Imperial Tobacco Limited, Imasco  
Capital Inc. and The Tuckett Tobacco Company, Limited**


I, Roy R. Schwartz, of the City of Westmount, in the Province of Quebec, do solemnly declare that:

1. I am a director and the Senior Vice-President of Imasco Financial Corporation (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
27th day of January, 2000.

  
A Commissioner, etc.

  
Roy R. Schwartz

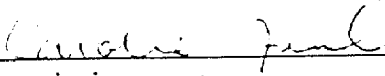
**IN THE MATTER OF the *Canada Business Corporations Act*  
and in the Articles of Amalgamation of Imasco Limited,  
Shoppers Drug Mart Limited, Imasco Enterprises Inc., Imasco  
Financial Corporation, Imperial Tobacco Limited, Imasco  
Capital Inc. and The Tuckett Tobacco Company, Limited**

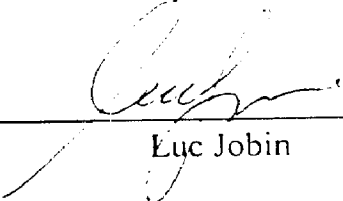
I, Luc Jobin, of the City of Lorraine, in the Province of Quebec, do solemnly declare that:

1. I am a director, the Vice-President and Chief Financial Officer of Imperial Tobacco Limited (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
25<sup>th</sup> day of January, 2000.

  
A Commissioner, etc.  
CAROLINE FERLAND

  
Luc Jobin

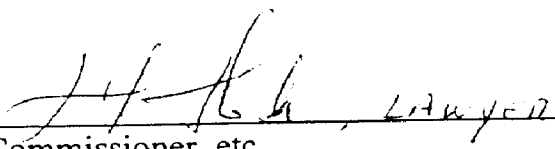
**IN THE MATTER OF the *Canada Business Corporations Act*  
and in the Articles of Amalgamation of Imasco Limited,  
Shoppers Drug Mart Limited, Imasco Enterprises Inc., Imasco  
Financial Corporation, Imperial Tobacco Limited, Imasco  
Capital Inc. and The Tuckett Tobacco Company, Limited**

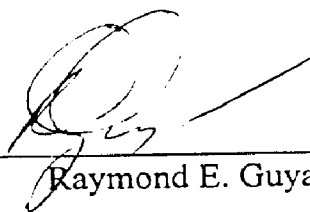
I, Raymond E. Guyatt, of the City of Westmount, in the Province of Quebec, do solemnly declare that:

1. I am a director and the President of Imasco Capital Inc. (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
17<sup>th</sup> day of January, 2000.

  
\_\_\_\_\_  
A Commissioner, etc.  
HELENE FLOCHT

  
\_\_\_\_\_  
Raymond E. Guyatt

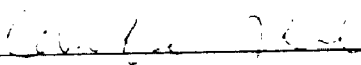
**IN THE MATTER OF the *Canada Business Corporations Act*  
and in the Articles of Amalgamation of Imasco Limited,  
Shoppers Drug Mart Limited, Imasco Enterprises Inc., Imasco  
Financial Corporation, Imperial Tobacco Limited, Imasco  
Capital Inc. and The Tuckett Tobacco Company, Limited**

I, Luc Jobin, of the City of Lorraine, in the Province of Quebec, do solemnly declare that:

1. I am a director and the Treasurer of The Tuckett Tobacco Company, Limited (the "Corporation"), one of the amalgamating corporations, and as such have personal knowledge of the matters herein declared to.
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this declaration.
3. I have satisfied myself that there are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

DECLARED before me at the City of  
Montreal, in the Province of Quebec, this  
25<sup>th</sup> day of January, 2000.

  
A Commissioner, etc.

  
Luc Jobin