Restated Certificate of Incorporation

Canada Business Corporations Act

BOMBARDIER INC.

Corporate name / Dénomination sociale

836947-0

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of incorporation of the above-named corporation were restated under section 180 of the Canada Business Corporations Act as set out in the attached restated articles of incorporation.

Virginie Ethier

Director / Directeur

2016-04-29

Date of Restatement (YYYY-MM-DD)

Date de constitution à jour (AAAA-MM-JJ)
Loi canadienne sur les sociétés par actions (LCSA)
FORMULAIRE 7
STATUTS CONSTITUTIFS MIS À JOUR
(Article 180)

1 - Dénomination sociale

BOMBARDIER INC.

2 - Numéro de société

8, 3, 6, 9, 4, 7, 0

3 - La province ou le territoire au Canada où est situé le siège social (n'indiquez pas l'adresse complète)

Québec

4 - Catégories et tout nombre maximal d'actions que la société est autorisée à émettre

L'ANNEXE 1 ci-jointe fait partie intégrante du présent formulaire.

5 - Restrictions sur le transfert des actions, s'il y a lieu

NON APPLICABLE

6 - Nombres minimal et maximal d'administrateurs (pour un nombre fixe, veuillez indiquer le même nombre dans les deux cases)

Nombre minimal 5  Nombre maximal 20

7 - Limites imposées à l'activité commerciale de la société, s'il y a lieu

NON APPLICABLE

8 - Autres dispositions, s'il y a lieu

L'ANNEXE 2 ci-jointe fait partie intégrante du présent formulaire.

9 - Déclaration

J'atteste que je suis un administrateur ou un dirigeant autorisé de la société et que cette mise à jour des statuts constitutifs démontre exactement sans changement substantiel, les dispositions correspondantes des statuts constitutifs modifiés qui remplacent les statuts originaux.

Signature

Nom en lettres molles  DANIEL DESJARDINS  Numéro de téléphone (514) 861-9481

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

BOMBARDIER INC.

The shares of the Corporation shall consist of (i) an unlimited number of preferred shares without nominal or par value issuable in series (hereinafter called “Preferred Shares”), of which 12,000,000 have been designated as “Series 2 Cumulative Redeemable Preferred Shares” (hereinafter called “Series 2 Preferred Shares”), 12,000,000 have been designated as “Series 3 Cumulative Redeemable Preferred Shares” (hereinafter called “Series 3 Preferred Shares”), and 9,400,000 have been designated as “Series 4 Cumulative Redeemable Preferred Shares” (hereinafter called “Series 4 Preferred Shares”), (ii) 3,592,000,000 Class A shares (multiple voting) and (iii) 3,592,000,000 Class B shares (subordinate voting) (such Class A shares (multiple voting) and Class B shares (subordinate voting) being collectively called, where applicable, “Restricted Shares”) and the rights, privileges, conditions and restrictions attaching to each such class or series of shares are as hereinafter set forth. Any reference herein to the Act is a reference to the Canada Business Corporations Act as it now exists and as it may be amended from time to time and any reference herein to a section of the Act is a reference to a section of the Act as such section is presently numbered or as it may be renumbered from time to time.

3.1. Preferred Shares

The following rights, privileges, conditions and restrictions shall attach to the Preferred Shares:

3.1.1. The Preferred Shares may be issued in series in the manner hereinafter provided. Subject to the provisions of the Act, to the provisions of these presents and to the conditions attaching to any series of Preferred Shares outstanding, the directors of the Corporation shall have the right, by resolution, to determine, from time to time, the number of shares of each series of Preferred Shares, as well as their designation and the rights, privileges, conditions and restrictions attaching thereto.

3.1.2. The holders of Preferred Shares shall have the right to receive, in priority to the holders of Restricted Shares and shares of any other class of the Corporation ranking junior to the Preferred Shares, dividends in the amount specified or determinable in accordance with the provisions attaching to the series of which the said Preferred Shares form part, and the said dividends may be cumulative or not and payable in cash (including in foreign currencies) or by way of stock dividends or in any other manner not prohibited by the Act. The priority, in the case of cumulative dividends, shall extend to all previous periods with respect to which the said dividends are payable and shall also extend to all other amounts, if any, with respect to dividends which may be specified in the provisions attaching to the said series and, in the case of non-cumulative dividends, shall extend to all said declared and unpaid dividends. The holders of Preferred Shares shall not be entitled to any dividend or additional dividend other than those expressly
provided for in the rights, privileges, conditions and restrictions attaching to the Preferred Shares of each series.

3.1.3. In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of its assets among its shareholders for the purpose of winding up its affairs, before any amount is paid or any part of its assets is distributed among the holders of Restricted Shares or shares of any other class of shares of the Corporation ranking junior to the Preferred Shares, the holders of the Preferred Shares shall be entitled to receive, to the extent established with respect to each series, (i) an amount equal to the issue price of said shares, (ii) the premium, if any, specified with respect to the said series, and (iii) in the case of Preferred Shares carrying cumulative dividends, all unpaid cumulative dividends (which cumulative dividends shall be computed, for such purpose, as accumulating day to day during the period starting with the expiry of the last preceding period with respect to which cumulative dividends have been paid until the date of distribution inclusively) and, in the case of Preferred Shares carrying non-cumulative dividends, all declared and unpaid non-cumulative dividends. Upon payment of said sums owed to them, the holders of Preferred Shares shall not be entitled to share in any further distribution of the Corporation’s assets or property.

3.1.4. Unless the Articles of the Corporation otherwise provide with respect to any series of Preferred Shares and except in cases where the Act requires that a right to vote be exercised separately as a class or as a series, the holders of Preferred Shares shall not have any right to receive notice of or to attend or vote at any meeting of shareholders of the Corporation.

Each holder of Preferred Shares shall be entitled, on a class vote, to one vote for each dollar ($1) of the issue price of the Preferred Shares held by him; for such purposes, if the issue price of a series of Preferred Shares is expressed in a currency other than the Canadian dollar, the directors of the Corporation may, by resolution, determine the rate of exchange of such currency into Canadian dollars on the day of the issue of such shares and the Canadian dollar equivalent of their issue price, provided, however, that no vote is conferred with respect to a portion of the issue price thus determined which is less than one dollar ($1).

Each holder of Preferred Shares of a particular series shall be entitled, on a series vote, to one vote for each Preferred Share of such series held by him.

3.1.5. The holders of Preferred Shares shall not be entitled to vote separately as a class with respect to changes to the Articles of the Corporation provided in subparagraphs (a) and (b) of paragraph (1) of Section 176 of the Act. The holders of Preferred Shares of any series of Preferred Shares shall not be entitled to vote separately as a series with respect to amendments to the Articles of the Corporation provided in subparagraphs (a), (b) and (e) of Section 176(1) of the Act.
3.1.6. Any approval which the Act provides must be given by the holders of the Preferred Shares, as a class or as a series, must be given in a manner not prohibited by the Act and, subject to the Act, the formalities to be observed with respect to the giving of notice of any meeting and to the conduct thereof shall be those prescribed by the by-laws of the Corporation with respect to the Preferred Shares or, in the absence thereof, such formalities shall, mutatis mutandis, be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of holders of voting shares.

The quorum for meetings of holders of Preferred Shares as a class or of holders of any series of Preferred Shares as a series shall consist of two or more persons, each having the right to vote at such meeting either in person or as the holder of a proxy from a holder of such shares, or as the authorized representative of a legal person or association which is the holder of such shares, and representing together, in their own right or as proxyholders or as representatives of such legal person or association, (i) a number of Preferred Shares conferring not less than 25% of the voting rights conferred by all the outstanding Preferred Shares, in the case of a meeting of the holders of Preferred Shares as a class, or (ii) a number of Preferred Shares of any series conferring not less than 25% of the voting rights conferred by all the outstanding Preferred Shares of such series, in the case of a meeting of the holders of Preferred Shares of that series as a series.

No business may be transacted at a meeting where a quorum is not present or where a quorum ceases to exist, except with respect to the adjournment of the meeting, and the quorum for the first adjourned meeting shall consist of the persons present, each having the right to vote thereat either in person or as the holder of a proxy from a holder of a Preferred Share or of a Preferred Share of the relevant series, as the case may be, or as the authorized representative of a legal person or association which is the holder of a Preferred Share or of a Preferred Share of the relevant series, as the case may be, notwithstanding the percentage of outstanding Preferred Shares or of outstanding Preferred Shares of the relevant series, as the case may be, held by such persons.

3.2. (A) Series 2 Preferred Shares

3.2(A).1. Definitions

Unless the context otherwise requires it, for purposes hereof:

3.2(A).1.1. “Accrued and Unpaid Dividends” means (i) during the Fixed Rate Period, the total of (A) all unpaid dividends on the Series 2 Preferred Shares for any Dividend Period and (B) the amount calculated as if the dividends on each Series 2 Preferred Share had accrued on a daily basis from and including the last Dividend Payment Date to but excluding the date on which the calculation of accrued dividends is to be made and (ii) during
the Floating Rate Period, the total of (A) all unpaid dividends on the Series 2 Preferred Shares for any Dividend Period and (B) the amount calculated as if the dividends on each Series 2 Preferred Share had accrued on a daily basis from and including the first day of the Month following the Dividend Period in respect of which the last monthly dividend was or will be, as the case may be, payable to but excluding the date on which the calculation of accrued dividends is to be made.

3.2(A).1.2. “Adjustment Factor” means, for a given Month, the percentage per annum, whether positive or negative, established on the basis of the Calculated Trading Price of the Series 2 Preferred Shares for the preceding Month, which Adjustment Factor shall be calculated as set forth in the following table:

<table>
<thead>
<tr>
<th>If the Calculated Trading Price for the preceding Month is</th>
<th>The Adjustment Factor expressed as a % of Prime shall be</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25.50 or more than $25.50</td>
<td>-4.00%</td>
</tr>
<tr>
<td>Greater than or equal to $25.40 and less than $25.50</td>
<td>-3.00%</td>
</tr>
<tr>
<td>Greater than or equal to $25.25 and less than $25.40</td>
<td>-2.00%</td>
</tr>
<tr>
<td>Greater than or equal to $25.10 and less than $25.25</td>
<td>-1.00%</td>
</tr>
<tr>
<td>Greater than $24.90 and less than $25.10</td>
<td>nil</td>
</tr>
<tr>
<td>Greater than $24.75 and less than or equal to $24.90</td>
<td>+1.00%</td>
</tr>
<tr>
<td>Greater than $24.60 and less than or equal to $24.75</td>
<td>+2.00%</td>
</tr>
<tr>
<td>Greater than $24.50 and less than or equal to $24.60</td>
<td>+3.00%</td>
</tr>
<tr>
<td>$24.50 or less than $24.50</td>
<td>+4.00%</td>
</tr>
</tbody>
</table>

The maximum Adjustment Factor for a given Month shall be ±4.00% of Prime. Notwithstanding any provision hereof to the contrary, if, during a given Month, at least one board lot of Series 2 Preferred Shares is not traded on the Exchange, the Adjustment Factor for the following Month shall be “nil”.

3.2(A).1.3. “Annual Dividend Rate” means the Fixed Annual Dividend Rate or the Variable Annual Dividend Rate, as the case may
be, which, pursuant to this section 3.2(A).1, is applicable at the relevant time;

3.2(A).1.4. "Banks" means any two banks from among the Royal Bank of Canada, the Bank of Montreal, The Bank of Nova Scotia, The Toronto-Dominion Bank, the Canadian Imperial Bank of Commerce and the National Bank of Canada or any successor thereof, which the Board of Directors may designate from time to time by means of a notice to the Transfer Agent for the Series 2 Preferred Shares; such a notice shall be given at least two (2) business days prior to the beginning of a given Dividend Period and shall take effect as of that moment; until such a notice is given, "Banks" means the National Bank of Canada and the Bank of Montreal;

3.2(A).1.5. "Calculated Trading Price" means, for a given Month:

(i) the aggregate of the Daily Adjusted Trading Value for all Trading Days in such month,

(ii) the aggregate of the Daily Trading Volume for all Trading Days in such month,

3.2(A).1.6. "Close of Business" means, for purposes of depositing any Series 2 Preferred Share for purposes of redemption or conversion, the standard closing time of the office of the Transfer Agent for the Series 2 Preferred Shares where the shareholder in question may deposit and does deposit the said share.

3.2(A).1.7. "Daily Accrued Dividend Deduction" means, for a given Trading Day:

(i) the product obtained by multiplying the dividend accrued or which would be accrued on a Series 2 Preferred Share in respect of the entire Month in which the Trading Day falls by the number of days elapsed from but excluding the day prior to the Ex-Dividend Date immediately preceding such Trading Day to and including such Trading Day (or, if such Trading Day is an Ex-Dividend Date, by one (1) day);

divided by
(ii) the number of days from and including such Ex-Dividend Date to but excluding the next Ex-Dividend Date.


(i) the aggregate dollar value of all transactions of Series 2 Preferred Shares on the Exchange (made on the basis of the normal settlement period in effect on the Exchange) occurring during such Trading Day,

less

(ii) the Daily Trading Volume for such Trading Day multiplied by the Daily Accrued Dividend Deduction for such Trading Day;

3.2(A).1.9. “Daily Trading Volume” for any Trading Day means the aggregate number of Series 2 Preferred Shares traded in all transactions on the Exchange (made on the basis of the normal settlement period in effect on the Exchange) occurring during such Trading Day.

3.2(A).1.10. “Deemed Record Date” means the last Trading Day of a Month during the Floating Rate Period with respect to which no dividend is declared by the Board of Directors;

3.2(A).1.11. “Dividend Payment Date” means:

(i) during the Fixed Rate Period, the last day of each of January, April, July and October in each year; and

(ii) during the Floating Rate Period, the 15th day of each Month, commencing with the month of September 2002,

and the first Dividend Payment Date shall be July 31, 1997.

3.2(A).1.12. “Dividend Period” means:

(i) during the Fixed Rate Period, the period from and including a Dividend Payment Date to but not including the next succeeding Dividend Payment Date, and

(ii) during the Floating Rate Period, a Month.
3.2(A).1.13. “Exchange” means the Toronto Stock Exchange or the Montreal Exchange, or any other stock exchange or organized market in Canada as may be determined from time to time by an officer of the Corporation as being the principal trading market for the Series 2 Preferred Shares; until such determination is made, “exchange” means the Montreal Exchange;

3.2(A).1.14. “Ex-Dividend Date” means:

(i) the Trading Day which, under the rules or normal practices of the Exchange, is designated or recognized as the ex-dividend date relative to any dividend record date for the Series 2 Preferred Shares; or

(ii) if the Board of Directors fails to declare a dividend in respect of a Month during the Floating Rate Period, the Trading Day which, under the rules or normal practices of the Exchange, would be considered as the ex-dividend date relative to any Deemed Record Date for the Series 2 Preferred Shares;

3.2(A).1.15. “Fixed Annual Dividend Rate” means 5.50% per annum;

3.2(A).1.16. “Fixed Rate Period” means the period commencing with the date of issue of the Series 2 Preferred Shares and ending on and including July 31, 2002;

3.2(A).1.17. “Floating Rate Period” means the period commencing immediately after the end of the Fixed Rate Period and continuing for as long as any of the Series 2 Preferred Shares shall be outstanding (and, for greater certainty, if the Floating Rate Period terminates because Series 2 Preferred Shares are no longer outstanding and Series 2 Preferred Shares are subsequently reissued, such Period shall recommence immediately upon the reissuance of Series 2 Preferred Shares and shall continue thereafter for so long as any of the Series 2 Preferred Shares shall be outstanding);

3.2(A).1.18. “Month” means a calendar month;

3.2(A).1.19. “Prescribed Percentage” means, for the Month of August 2002, eighty percent (80%), and for each subsequent Month, the Adjustment Factor for the said Month plus the Prescribed Percentage for the Preceding Month, provided the Variable
Annual Dividend Rate for a given Month is never less than 50% nor more than 100% of Prime for the said Month;

3.2(A).1.20. “Prime” means, for a given Month, the average (rounded to the nearest one-thousandth (1/1000) of one percent (1%)) of the Prime Rate in effect on each day of such Month. Prime shall be established, from time to time, by an officer of the Corporation. In the absence of manifest error, such determination shall be final and binding upon the Corporation and upon all holders of Series 2 Preferred Shares;

3.2(A).1.21. “Prime Rate” for any day means the average (rounded to the nearest one-thousandth (1/1000) of one percent (1%)) of the annual rates of interest announced from time to time by the Banks as the reference rates then in effect for such day for determining interest rates on Canadian dollar commercial loans made to prime commercial borrowers in Canada. If one of the Banks does not have such an interest rate in effect on a day, the Prime Rate for such day shall be such interest rate in effect for that day of the other Bank; if neither Bank has such an interest rate in effect on a day, the Prime Rate for that day shall be equal to one and one half percent (1.5%) per annum plus the average yield expressed as a percentage per annum on 91-day Government of Canada Treasury Bills, as reported by the Bank of Canada, for the weekly tender for the week immediately preceding that day; and if neither Bank has such an interest rate in effect on a day and the Bank of Canada does not report such average yield, the Prime Rate for that day shall be equal to the Prime Rate for the next preceding day. The Prime Rate shall be determined from time to time by an officer of the Corporation from quotations supplied by the Banks or otherwise publicly available. In the absence of manifest error, such determination shall be final and binding upon the Corporation and upon all holders of Series 2 Preferred Shares;

3.2(A).1.22. “ranking in priority”, “ranking on a parity” or “ranking junior” and similar expressions, whether used individually or collectively, mean the order of priority of the shares of different classes or series as regards the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether or not voluntary, or in the event of any other repayment of capital or distribution of the assets of the Corporation among its shareholders for purposes of winding up its affairs.
3.2(A).1.23. “Series 2 Preferred Shares” means the Series 2 Cumulative Redeemable Preferred Shares and “Series 3 Preferred Shares” means the Series 3 Cumulative Redeemable Preferred Shares;

3.2(A).1.24. “Trading Day” means, if the Exchange is a stock exchange in Canada, a day on which the Exchange is open for trading or, in any other case, a business day;

3.2(A).1.25. “Transfer Agent” includes all mandataries of a transfer agent;

3.2(A).1.26. “Variable Annual Dividend Rate” means, for a given Month, the interest rate expressed as an annual percentage (rounded to the nearest one-thousandth (1/1000) of one percent (1%)) which is equal to Prime for the given Month, multiplied by the Prescribed Percentage for that Month;

3.2(A).2. Interpretation

3.2(A).2.1. Subject to section 3.2(A).2.2 hereof, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is delivered or sent by prepaid ordinary mail to holders of Series 2 Preferred Shares at their respective addresses as set forth in the register or registers of the Series 2 Preferred Shares of the Corporation or, failing such registration, to the Corporation’s last known address for any such holder. As regards joint holders, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is mailed as stipulated in the preceding sentence to the address of the joint holder whose name appears first on the register or registers of the Series 2 Preferred Shares as a joint holder of the said shares. The involuntary or accidental omission to send a notice or other communication to one or more holders of Series 2 Preferred Shares shall not affect the validity of notices or other communications validly given nor shall it affect measures taken as a result of such a notice; however, as soon as such an omission is discovered, the notice or other communication, as the case may be, shall be sent immediately to the holder(s) in question.

3.2(A).2.2. If there is an interruption or threatened interruption of the postal service in any territory in which, according to the addresses recorded in the register or registers of the Series 2 Preferred Shares of the Corporation, holders of Series 2 Preferred Shares reside, the Corporation may (without being
obliged) give the said notice to the holders residing in such
territory by publishing it once, two weeks in a row, in a widely
circulated daily newspaper published or distributed in the
capital of such territory or, if the Corporation keeps a register
of transfers of the Series 2 Preferred Shares in the said
territory, in the city in such territory in which the register of
transfers is kept. Every notice given by means of publication
shall be deemed to have been given validly for all purposes.

3.2(A).2.3. Every notice sent by mail shall be deemed to have been given
on the day it is mailed, unless, on the day it is mailed or on the
following day there is an interruption of the postal service in
the territory in which or to which the notice was mailed. Every
notice given by means of publication shall be deemed to have
been given on the day of the first publication in the city in
which it is published.

3.2(A).2.4. If the day on which dividends are payable on the Series 2
Preferred Shares or on which any other measures are to be
taken or should have been taken pursuant hereto is not a
business day, the dividends shall be paid or the other measures
shall be taken, as the case may be, on the following business
day; “business day” means any day other than a Saturday, a
Sunday or a legal holiday in the place where the Corporation
has its main executive office at the time in question.

3.2(A).2.5. All amounts set forth herein are expressed in Canadian dollars.

3.2(A).2.6. Notwithstanding any provision to the contrary set forth herein,
the payment of any sum of money may be made by electronic
transfer or by any other means which the Board of Directors
may approve, instead of being made by cheque. In such an
event, the payment of sums of money to holders of Series 2
Preferred Shares shall be deemed to constitute payment and
shall release the Corporation from all its obligations with
respect to the payment of such sums, up to the amount
represented thereby, unless the payment is not honoured by the
Corporation.

3.2(A).3. Right to Dividends

To the extent they are declared by the Board of Directors, holders of Series 2
Preferred Shares shall be entitled to receive cumulative preferred cash
dividends out of the funds of the Corporation which may properly be allocated
for the payment of dividends, at such rates and on such dates as are provided
for herein. Dividends on the Series 2 Preferred Shares shall accrue daily as of
(i) their date of issuance, inclusively, or (ii) the last Dividend Payment Date, inclusively, on which dividends were paid or allocated for payment, whichever occurs last, and shall be payable, provided they are declared by the Board of Directors, quarterly during the Fixed Rate Period and monthly during the Floating Rate Period.

Cheques issued by the Corporation, representing the amount of such dividends, which cheques shall be drawn on a Canadian chartered bank and shall be negotiable at par at any branch of such bank within Canada, shall be issued to holders of Series 2 Preferred Shares entitled thereto. The mailing of such cheques to registered holders of Series 2 Preferred Shares shall be deemed to constitute payment of such dividends and shall release the Corporation from all its obligations with respect to the payment of such dividends, up to the amount of the cheques (and of any taxes which must be and are deducted or withheld on such amounts), unless the cheques are not honoured at the time they are presented for payment. If, on a given Dividend Payment Date, the dividends which are payable on that date are not paid in full on all the then outstanding Series 2 Preferred Shares, the said dividends or the unpaid amount thereof shall be paid on one or more subsequent dates to be set by the Board of Directors and on which the Corporation has the necessary funds which may validly be allocated for the payment of dividends. Holders of Series 2 Preferred Shares shall not be entitled to any dividends other than the cash dividend provided for herein, nor shall they be entitled to any dividends in excess thereof. Any dividends represented by a cheque which has not been duly presented for payment within six years following its issuance or which have not otherwise been claimed during the six years following the date on which they were declared payable or allocated for purposes of payment shall vest in the Corporation.

3.2(A).3.1. Fixed Rate Period

During the Fixed Rate Period, dividends on the Series 2 Preferred Shares shall be payable quarterly, provided they have been declared by the Board of Directors, at the Fixed Annual Dividend Rate. Therefore, on each Dividend Payment Date during the Fixed Rate Period, except July 31, 1997, but including July 31, 2002, the dividend payable shall be $0.34375 per Series 2 Preferred Share. For greater certainty, the amount of the first quarterly dividend, if it is declared, which shall be payable with respect to each Series 2 Preferred Share outstanding on July 31, 1997 shall correspond to the sum of the amount accrued on the share in question from the date of issue and until July 31, 1997, exclusively. Thus, if declared, the initial dividend shall be payable on July 31, 1997 and shall be in the amount of $0.2637 per share, assuming that the date of issue is May 22, 1997.
3.2(A).3.2. Floating Rate Period

During the Floating Rate Period, dividends on the Series 2 Preferred Shares shall be payable monthly, provided they have been declared by the Board of Directors, on the annual basis of the Variable Annual Dividend Rate as calculated from time to time. Therefore, on each Dividend Payment Date during the Floating Rate Period, the dividend payable on the Series 2 Preferred Shares shall be the amount (rounded to the nearest one-thousandth (1/1000) of a cent) obtained by multiplying $25.00 by the Variable Annual Dividend Rate applicable to the Month preceding the said Dividend Payment Date and dividing the product so obtained by 12. On condition that the Board of Directors declares the dividend, the record date for purposes of establishing holders of Series 2 Preferred Shares entitled to receive dividends on each Dividend Payment Date during the Floating Rate Period shall be the last Trading Day of the preceding Month. In the event of the redemption or purchase of Series 2 Preferred Shares during the Floating Rate Period, or in the event of the distribution of the assets of the Corporation during the said period, as provided for in section 3.2(A).4 hereof, the amount of dividends accrued during the Month in which the redemption, purchase or distribution occurs (rounded to the nearest one-thousandth (1/1000) of a cent) shall be calculated by multiplying

(i) the product of the multiplication of $25.00 by one-twelfth (1/12) of the Variable Annual Dividend Rate applicable to the preceding Month;

by

(ii) a fraction whose numerator shall be the number of days elapsed during the Month in which the redemption, purchase or distribution occurs until the day on which said event occurs, excluding that day, and whose denominator shall be the number of days in the said Month.

3.2(A).3.3. Calculation of the Prescribed Percentage

As soon as is possible, the Corporation shall calculate the Prescribed Percentage for each Month and shall give notice thereof to all securities exchanges in Canada on which the Series 2 Preferred Shares are listed for trading; if the Series 2 Preferred Shares are not listed for trading on any securities exchanges in Canada, the Corporation shall provide such notice in another manner that the Corporation deems appropriate.
exchange in Canada, the Corporation shall notify the Investment Dealers Association of Canada or it shall give notice thereof by publishing the Prescribed Percentage once in the national edition of the English daily *The Globe and Mail* and once in the city of Montreal in widely circulated French and English daily newspapers; however, if the daily newspaper in question is no longer widely circulated at the time of publication, the notice shall be published in an equivalent publication.

3.2(A).4. Rights on Liquidation

In the event of any 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 the Series 2 Preferred Shares shall be entitled to receive $25.00 in lawful money of Canada per Series 2 Preferred 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, before any payment or distribution is made to holders of shares of the Corporation ranking junior to the Series 2 Preferred Shares. Upon payment to the holders of the Series 2 Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

3.2(A).5. Redemption of Shares at the Option of the Corporation

The Corporation shall not be entitled to redeem any of the Series 2 Preferred Shares prior to August 1, 2002. Subject to applicable laws and to section 3.2(A).8 hereof, after having given notice in the manner set forth hereinafter, the Corporation shall be entitled to do the following: (i) on August 1, 2002, redeem not less than all of the outstanding Series 2 Preferred Shares on payment of $25.00 for each such share so redeemed, and (ii) at any time after August 1, 2002, redeem not less than all of the outstanding Series 2 Preferred Shares on payment of $25.50 for each such share so redeemed; in each case, together with accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated up to but excluding the date fixed for the redemption, the whole constituting the redemption price.

No less than 45 days and no more than 60 days prior to the contemplated redemption date, the Corporation shall give a written notice of its intention to redeem the Series 2 Preferred Shares to each person who, on the date of sending of the said notice, is a holder of the shares to be redeemed. The notice shall set forth the redemption price and the date fixed for the redemption; on or after the redemption date, upon presentation and surrender of the certificate or certificates representing the Series 2 Preferred Shares at any place or places
in Canada mentioned in the notice, the Corporation shall pay or see to the
payment of the redemption price to holders of Series 2 Preferred Shares to be
redeemed (less any taxes which must be deducted or withheld in respect of the
redemption price). Payment shall be made by cheque negotiable at par at any
branch of the Corporation’s bankers located within Canada. As of the date
mentioned in the notice, holders of Series 2 Preferred Shares called for
purposes of redemption shall not be entitled to any further dividends on such
shares nor shall they be entitled to exercise any rights as shareholders with
respect to such shares, unless the Corporation fails to pay the redemption
price, in which case the holders’ rights shall remain unchanged. At any time
after the aforementioned redemption notice has been given, the Corporation
shall be entitled to deposit the amount of the redemption price of all or part of
the Series 2 Preferred Shares called for purposes of redemption in one or more
chartered banks or trust companies within Canada which shall have been
named in the redemption notice. Such deposits shall be made in one or more
special trust accounts for the benefit of holders of shares to be redeemed, and
the amounts shall be paid to them by such banks or trust companies upon
surrender of the certificate or certificates; once these deposits have been made,
the shares shall be deemed to have been redeemed on the date set forth in the
redemption notice. After the Corporation has effected a deposit in the
aforementioned manner with respect to any of the shares, as of the redemption
date, holders of such shares shall not have any further rights as shareholders
with respect to such shares and their rights shall be limited to the collection of
the portion of the deposited amounts applicable to such shares, without
interest (less any taxes which must be deducted or withheld in respect of said
amount); any accrued interest on such deposits shall belong to the
Corporation.

3.2(A).6. Purchase for Purposes of Cancellation

Subject to the provisions of section 3.2(A).8 hereof, the Corporation shall at
all times be entitled to purchase, for purposes of cancellation, all or part of the
Series 2 Preferred Shares outstanding from time to time, such purchase to be
made in the open market through the intermediary of an investment dealer or
any member firm of a recognized Exchange or by private agreement or
otherwise, at the lowest price at which, in the opinion of the Board of
Directors of the Corporation, these shares may be obtained, plus an amount
equal to all Accrued and Unpaid Dividends thereon and the costs of purchase.

3.2(A).7. Conversion of Series 2 Preferred Shares

3.2(A).7.1. Conversion at the Option of the Holder

Subject to the provisions and conditions hereof, on August 1, 2002 and on August 1st of every fifth year thereafter (a
“Conversion Date”), holders of Series 2 Preferred Shares shall
have the option to convert all or part of the Series 2 Preferred Shares registered in their name into Series 3 Preferred Shares of the Corporation on the basis of one (1) Series 3 Preferred Share for each Series 2 Preferred Share. The Corporation shall give a written notice to holders of Series 2 Preferred Shares which are then outstanding setting forth the Selected Percentage Rate (as defined in subsection 3.2(B).1 hereof) which has been determined by the Board of Directors and which shall be applicable during the subsequent Fixed Dividend Rate Period (as defined in section 3.2(B).1 hereof) as well as the conversion right provided for herein. The said notice shall indicate the Conversion Date and shall be given no less than 45 days and no more than 60 days prior to the applicable Conversion Date.

If, as provided for in section 3.2(A).5, the Corporation notifies holders of Series 2 Preferred Shares of the redemption of all the Series 2 Preferred Shares, it shall not be required to notify them, as provided for in this section 3.2(A).7.1, of the Selected Percentage Rate (as defined in section 3.2(B).1 hereof) for the Series 3 Preferred Shares or of their right of conversion; moreover, the rights of each holder of Series 2 Preferred Shares to convert such shares, as set forth herein, shall terminate in that event.

If, after the Close of Business on the 14th day preceding a Conversion Date, the Corporation determines that there would be less than 1,000,000 Series 3 Preferred Shares outstanding on the Conversion Date, taking into account all Series 2 Preferred Shares deposited for purposes of conversion into Series 3 Preferred Shares and, if applicable, all Series 3 Preferred Shares deposited for purposes of conversion into Series 2 Preferred Shares, holders of Series 2 Preferred Shares shall not be entitled to convert their shares into Series 3 Preferred Shares. No later than seven (7) days prior to a given Conversion Date, the Corporation shall give written notice of such a situation to the holders of Series 2 Preferred Shares affected by this situation and, prior to the said Conversion Date, it shall, at its own expense, issue and send to holders of Series 2 Preferred Shares having deposited one or more certificates representing Series 2 Preferred Shares for purposes of conversion, new certificates representing the Series 2 Preferred Shares represented by one or more certificates deposited as mentioned hereinabove, or, prior to the said Conversion Date, it shall, at its own expense, return to such
holders the said certificates deposited for purposes of conversion and representing Series 2 Preferred Shares.

3.2(A).7.2. Automatic Conversion

If, after the Close of Business on the 14th day preceding a Conversion Date, the Corporation determines that there would be less than 1,000,000 Series 2 Preferred Shares outstanding on the Conversion Date, taking into account all Series 2 Preferred Shares deposited for purposes of conversion into Series 3 Preferred Shares and, if applicable, all Series 3 Preferred Shares deposited for purposes of conversion into Series 2 Preferred Shares, all but not less than all of the remaining outstanding Series 2 Preferred Shares shall be converted automatically into Series 3 Preferred Shares on the basis of one (1) Series 3 Preferred Share for each Series 2 Preferred Share, the whole as of the Close of Business on the applicable Conversion Date; in such a case, the Corporation shall give a written notice to that effect to holders of such remaining Series 2 Preferred Shares no later than seven (7) days prior to the Conversion Date.

3.2(A).7.3. Exercise of the Conversion Privilege

The conversion of Series 2 Preferred Shares may be effected by surrendering the certificate or certificates representing the said shares, no earlier than 45 days prior to a given Conversion Date and no later than the Close of Business on the 14th day preceding the said Conversion Date, during regular business hours at any office of a Transfer Agent of the Corporation where the Series 2 Preferred Shares may be transferred; such share certificates shall be remitted together with the following: (i) payment or a receipt evidencing the payment of all taxes (if any) payable as provided for in this section 3.2(A).7.3; and (ii) a remittance instrument deemed acceptable by the Corporation and duly signed by the holder or his attorney duly authorized in writing, which instrument may set forth the holder’s wish to only convert part of the Series 2 Preferred Shares represented by such certificate or certificates, which shares have not yet been called for purposes of redemption, in which event the Corporation shall issue and mail to the said holder, at the Corporation’s own expense, a new certificate representing the Series 2 Preferred Shares represented by such certificate or certificates and which have not been converted.
If the Corporation is required to convert all of the remaining outstanding Series 2 Preferred Shares into Series 3 Preferred Shares on the applicable Conversion Date, as provided for in section 3.2(A).7.2 hereof, the Series 2 Preferred Shares which holders had not chosen to convert shall be converted into Series 3 Preferred Shares on the said Conversion Date, and holders of such shares shall be deemed to be holders of Series 3 Preferred Shares as of the Close of Business on the Conversion Date and, after they shall have surrendered, during regular business hours at any office of a Transfer Agent of the Corporation where the Series 2 Preferred Shares may be transferred, the certificate or certificates representing Series 2 Preferred Shares not previously surrendered for purposes of conversion, they shall be entitled to receive one or more certificates representing the same number of Series 3 Preferred Shares in the manner and according to the provisions set forth in this section 3.2(A).7.3.

As soon as possible after a given Conversion Date, the Corporation shall issue and mail to a holder of Series 2 Preferred Shares which have been so surrendered, or in accordance with the holder’s written instructions, one or more certificates issued in his name or in the name of the person or persons designated by him, such certificate or certificates to be issued for the number of fully paid and non-assessable Series 3 Preferred Shares and remaining Series 2 Preferred Shares, if any, to which the holder is entitled. Such conversion shall be deemed to have been made at the Close of Business on the Conversion Date, such that the rights of the holder of such Series 2 Preferred Shares, in his capacity as holder thereof, shall cease as of that moment and the person or persons entitled to receive the Series 3 Preferred Shares as a result of the conversion shall be considered, for all purposes, as the registered holder or holders of the said Series 3 Preferred Shares at that moment.

The holder of any Series 2 Preferred Share registered as holder on the record date for purposes of payment of any dividend declared payable in respect of such share shall be entitled to the said dividend even if the share is converted into a Series 3 Preferred Share after such record date and on or prior to the date of payment of the said dividend.

The issuance of Series 3 Preferred Share certificates at the time of the conversion of Series 2 Preferred Shares shall be made at no cost to holders converting their Series 2 Preferred Shares as
regards any fees applicable to the issuance of the said certificates or the Series 3 Preferred Shares represented thereby. However, the holder converting such shares or the assignee thereof shall be required to pay all taxes, whether governmental or otherwise, likely to be imposed upon him with respect to the transaction, and the Corporation shall be entitled to demand that such taxes be paid or that proof of payment be presented.

3.2(A).7.4. Status of Converted Series 2 Preferred Shares

None of the Series 2 Preferred Shares which have been converted into Series 3 Preferred Shares on a given Conversion Date shall be cancelled; these shares shall once again become authorized but unissued Series 2 Preferred Shares of the Corporation as at the Close of Business on the Conversion Date.

3.2(A).7.5. Notice of the Annual Dividend Rate Applicable to Series 3 Preferred Shares

Within three (3) days following the determination of the Annual Dividend Rate (as defined in section 3.2(B).1 hereof), the Corporation shall notify holders of Series 2 Preferred Shares thereof by publishing same once in the national edition of the English daily *The Globe and Mail* and once in the city of Montreal in a widely circulated French daily newspaper and a widely circulated English daily newspaper; however, if any of the daily newspapers in question is no longer widely circulated at the time of publication, the notice shall be published in an equivalent publication.

3.2(A).8. Restrictions Regarding Dividends and the Retirement of Shares

The Corporation shall not, without the approval of the holders of outstanding Series 2 Preferred Shares given in accordance with the provisions hereof:

3.2(A).8.1. pay or set apart for payment any dividends (other than stock dividends payable in any shares of the Corporation ranking junior to the Series 2 Preferred Shares) on any shares of the Corporation ranking junior to the Series 2 Preferred Shares;

3.2(A).8.2. call for redemption, redeem, purchase or otherwise retire for value or make any capital distribution on or in respect of any shares of the Corporation ranking junior to the Series 2 Preferred Shares (except out of the net cash proceeds of a
substantially concurrent issue of shares of the Corporation ranking junior to the Series 2 Preferred Shares);

3.2(A).8.3. call for redemption, redeem, purchase or otherwise retire for value less than all the Series 2 Preferred Shares then outstanding; or

3.2(A).8.4. call for redemption, redeem, purchase or otherwise retire for value (except in connection with the exercise of any retraction privilege or mandatory redemption obligation attaching thereto) any shares of the Corporation of any class or series ranking on a parity with the Series 2 Preferred Shares, provided that, for greater certainty, the covenant in this section 3.2(A).8.4 shall not limit or affect any such action in respect of any class of shares ranking in priority to the Series 2 Preferred Shares;

unless, in each such case, all cumulative preferential dividends accrued on outstanding Series 2 Preferred Shares up to and including the dividend payable on the last preceding Dividend Payment Date shall have been declared and paid or set aside for payment.

The approval of holders of Series 2 Preferred Shares required pursuant to this section 3.2(A).8 may be given in accordance with the third paragraph of section 3.2(A).9 and with section 3.2(A).12. Notwithstanding the provisions of section 3.2(A).12 hereof, any approval required pursuant to this section 3.2(A).8 shall be given only by the affirmative vote of holders of a majority of the Series 2 Preferred Shares present or represented at a meeting or adjourned meeting of holders of Series 2 Preferred Shares duly called for such purpose and at which a quorum is present.


Unless otherwise provided for at law, holders of Series 2 Preferred Shares shall not be entitled to vote at meetings of shareholders of the Corporation, nor shall they be entitled to receive notices of such meetings or to attend same, except as provided for in the following paragraph.

If the Corporation fails to pay in full eight (8) quarterly dividends or 24 monthly dividends, as the case may be (and, for such purposes, the failure to pay a quarterly dividend shall be deemed to be a failure to pay three monthly dividends), on the Series 2 Preferred Shares, whether or not consecutive, holders of Series 2 Preferred Shares shall be entitled to receive notice of every meeting of shareholders of the Corporation (other than a separate meeting of the holders of another class or series of shares) which is held more than 60 days after the date on which the failure first occurs and they shall be entitled
to vote thereat, together with the holders of Restricted Shares and the holders 
of shares of any other class or series of shares entitled to vote thereat, on the 
basis of one (1) vote per Series 2 Preferred Share held, such rights to exist 
until all arrears of dividends on the Series 2 Preferred Shares shall have been 
paid, at which time the said rights shall terminate and shall be revived only if 
the Corporation is once again in default pursuant to the provisions of this 
section 3.2(A).9.

Each Series 2 Preferred Share shall confer one (1) vote upon its holder with 
respect to any measures to be taken by the Corporation which require the 
approval of holders of Series 2 Preferred Shares voting as a series.

3.2(A).10. Issuance of Additional Preferred Shares

The Corporation shall be entitled to issue additional series of preferred shares 
ranking on a parity with the Series 2 Preferred Shares or ranking junior to the 
Series 2 Preferred Shares without the approval of holders of Series 2 Preferred 
Shares.

3.2(A).11. Amendments

The provisions attaching to the Series 2 Preferred Shares as a series may be 
repealed or amended from time to time, provided the approvals then required 
by the Canada Business Corporations Act or any successor legislation, as 
amended from time to time, have been given in accordance with the third 
paragraph of section 3.2(A).9 and with section 3.2(A).12.

None of the provisions of the Articles of the Corporation relating to Series 2 
Preferred Shares as a series shall be amended or otherwise changed, unless, 
contemporaneously therewith, the series provisions, if any, relating to Series 3 
Preferred Shares are, to the extent deemed necessary by the Corporation, 
amended or otherwise changed in the same proportion and in the same 
manner, mutatis mutandis.

If there are no Series 2 Preferred Shares issued and outstanding, the 
Corporation shall not be entitled to amend or otherwise change the provisions 
attaching to the Series 2 Preferred Shares as set forth in the Articles of the 
Corporation, unless the amendment or change in question is also approved by 
holders of Series 3 Preferred Shares then outstanding, such approval to be 
given in accordance with the third paragraph of section 3.2(A).9 and with 
section 3.2(A).12 hereof.

3.2(A).12. Approval of Holders of Series 2 Preferred Shares

Every approval of holders of Series 2 Preferred Shares shall be deemed to 
have been given validly for all purposes if it is given by holders of Series 2
Preferred Shares in accordance with the provisions attaching to preferred shares, as a class, as same are applicable hereto, *mutatis mutandis*.

3.2(A).13. Tax Election

The Corporation shall make a tax election, in the manner and within the deadline prescribed by the *Income Tax Act* (Canada), pursuant to subsection 191.2(1) of Part VI.1 of the said Act (or any other successor or replacing provision of similar scope), and it shall take all necessary measures in accordance with the said Act in order to pay or see to the payment of the tax payable pursuant to Part VI.1 of the said Act (or any other successor or replacing provision of similar scope) at a rate such that no holder of Series 2 Preferred Shares that is a corporation shall be required, pursuant to section 187.2 of Part IV.1 of the said Act (or any other successor or replacing provision of similar scope), to pay tax on the dividends received in respect of the Series 2 Preferred Shares.

3.2 (B) Series 3 Preferred Shares

3.2(B).1. Definitions

Unless the context otherwise requires it, for purposes hereof:

3.2(B).1.1. “*Accrued and Unpaid Dividends*” means the total of (i) all unpaid dividends on the Series 3 Preferred Shares for any quarters and (ii) the amount calculated as if the dividends on each Series 3 Preferred Share had accrued on a daily basis from and including the last Dividend Payment Date to but excluding the date on which the calculation of accrued dividends is to be made;

3.2(B).1.2. “*Annual Dividend Rate*” means, for any Fixed Dividend Rate Period, the rate of interest expressed as a percentage per annum (rounded to the nearest one-thousandth (1/1000) of one percent (1%)) which is equal to the Government of Canada Yield multiplied by theSelected Percentage Rate for such Fixed Dividend Rate Period;

3.2(B).1.3. “*Close of Business*” means, for purposes of depositing any Series 3 Preferred Share for purposes of redemption or conversion, the standard closing time of the office of the Transfer Agent for the Series 3 Preferred Shares where the shareholder in question may deposit and does deposit the said share;
3.2(B).1.4. “Dividend Payment Date” means the last day of January, April, July and October in each year;

3.2(B).1.5. “Fixed Dividend Rate Period” means, for the initial Fixed Dividend Rate Period, the period commencing on August 1, 2002 and ending on and including July 31, 2007, and for each succeeding Fixed Dividend Rate Period, it means the period beginning on the day following the end of the preceding Fixed Dividend Rate Period and ending on and including July 31 in the fifth year immediately thereafter;

3.2(B).1.6. “Government of Canada Yield” means, on a given date, the average of the yields designated by two registered Canadian investment dealers, chosen by the Board of Directors of the Corporation, as being the yield to maturity on such date, compounded every six months and calculated in accordance with generally accepted financial principles, which a non-callable Government of Canada Bond would carry if it were issued in Canada in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years;

3.2(B).1.7. “ranking in priority”, “ranking on a parity” or “ranking junior” and similar expressions, whether used individually or collectively, mean the order of priority of the shares of different classes or series as regards the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether or not voluntary, or in the event of any other repayment of capital or distribution of the assets of the Corporation among its shareholders for purposes of winding up its affairs;

3.2(B).1.8. “Selected Percentage Rate” for a Fixed Dividend Rate Period means the interest rate, expressed as a percentage of the Government of Canada Yield, determined by the Board of Directors of the Corporation to be applicable for such Fixed Dividend Rate Period, which rate shall be not less than 80% of the Government of Canada Yield;

3.2(B).1.9. “Series 3 Preferred Shares” means the Series 3 Cumulative Redeemable Preferred Shares and “Series 2 Preferred Shares” means the Series 2 Cumulative Redeemable Preferred Shares;

3.2(B).1.10. “Transfer Agent” includes all mandataries of a transfer agent.
3.2(B).2. Interpretation

3.2(B).2.1. Subject to section 3.2(B).2.2 hereof, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is delivered or sent by prepaid ordinary mail to holders of Series 3 Preferred Shares at their respective addresses as set forth in the register or registers of the Series 3 Preferred Shares of the Corporation or, failing such registration, to the Corporation’s last known address for any such holder. As regards joint holders, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is mailed as stipulated in the preceding sentence to the address of the joint holder whose name appears first on the register or registers of the Series 3 Preferred Shares as a joint holder of the said shares. The involuntary or accidental omission to send a notice or other communication to one or more holders of Series 3 Preferred Shares shall not affect the validity of notices or other communications validly given nor shall it affect measures taken as a result of such a notice; however, as soon as such an omission is discovered, the notice or other communication, as the case may be, shall be sent immediately to the holder(s) in question.

3.2(B).2.2. If there is an interruption or threatened interruption of the postal service in any territory in which, according to the addresses recorded in the register or registers of the Series 3 Preferred Shares of the Corporation, holders of Series 3 Preferred Shares reside, the Corporation may (without being obliged) give the said notice to the holders residing in such territory by publishing it once, two weeks in a row, in a widely circulated daily newspaper published or distributed in the capital of such territory or, if the Corporation keeps a register of transfers of the Series 3 Preferred Shares in the said territory, in the city in this territory in which the register of transfers is kept. Every notice given by means of publication shall be deemed to have been given validly for all purposes.

3.2(B).2.3. Every notice sent by mail shall be deemed to have been given on the day it is mailed, unless, on the day it is mailed or on the following day, there is an interruption of the postal service in the territory in which or to which the notice was mailed. Every notice given by means of publication shall be deemed to have been given on the day of the first publication in the city in which it is published.
3.2(B).2.4. If the day on which dividends are payable on the Series 3 Preferred Shares or on which any other measures are to be taken or should have been taken pursuant hereto is not a business day, the dividends shall be paid or the other measures shall be taken, as the case may be, on the following business day; “business day” means any day other than a Saturday, a Sunday or a legal holiday in the place where the Corporation has its head office at the time in question.

3.2(B).2.5. All amounts set forth herein are expressed in Canadian dollars.

3.2(B).2.6. Notwithstanding any provision to the contrary set forth herein, the payment of any sum of money may be made by electronic transfer or by any other means which the Board of Directors may approve, instead of being made by cheque. In such an event, the payment of sums of money to holders of Series 3 Preferred Shares shall be deemed to constitute payment and shall release the Corporation from all its obligations with respect to the payment of such sums, up to the amount represented thereby, unless the payment is not honoured by the Corporation.

3.2(B).3. Right to Dividends and Calculation of the Annual Dividend Rate

To the extent they are declared by the Board of Directors, holders of Series 3 Preferred Shares shall be entitled to receive fixed cumulative preferred cash dividends out of the funds of the Corporation which may properly be allocated for the payment of dividends, which dividends shall be equal to an annual amount determined by multiplying the Annual Dividend Rate by $25.00 and shall be payable, provided they are declared by the Board of Directors, quarterly in respect of each twelve-month period on each Dividend Payment Date.

Cheques issued by the Corporation, representing the amount of such dividends, which cheques shall be drawn on a Canadian chartered bank and shall be negotiable at par at any branch of such bank within Canada, shall be issued to holders of Series 3 Preferred Shares entitled thereto. The mailing of such cheques to registered holders of Series 3 Preferred Shares shall be deemed to constitute payment of such dividends and shall release the Corporation from all its obligations with respect to the payment of such dividends, up to the amount of the cheques (and of any taxes which must be and are deducted or withheld on such amounts), unless the cheques are not honoured at the time they are presented for payment. If, on a given Dividend Payment Date, the dividends which are payable on that date are not paid in full on all the then outstanding Series 3 Preferred Shares, the said dividends or the unpaid amount thereof shall be paid on one or more subsequent dates to be
set by the Board of Directors and on which the Corporation has the necessary funds which may validly be allocated for the payment of dividends. Holders of Series 3 Preferred Shares shall not be entitled to any dividends other than the cash dividend provided for herein, nor shall they be entitled to any dividends in excess thereof. Any dividends represented by a cheque which has not been duly presented for payment within six years following its issuance or which have not otherwise been claimed during the six years following the date on which they were declared payable or allocated for purposes of payment shall vest in the Corporation.

On the 21st day preceding the first day of each Fixed Dividend Rate Period, the Corporation shall calculate the Annual Dividend Rate for that Fixed Dividend Rate Period, which calculation shall be effected on the basis of the Selected Percentage Rate and the Government of Canada Yield in effect at 10:00 A.M. (Montreal time) on the said 21st day preceding the first day of each Fixed Dividend Rate Period, and (i) on the following business day, it shall give notice thereof to all securities exchanges in Canada on which the Series 3 Preferred Shares are listed for trading or, if the Series 3 Preferred Shares are not listed for trading on any securities exchange in Canada, the Corporation shall notify the Investment Dealers Association of Canada, and (ii) within the following three (3) business days, except as regards the initial Fixed Dividend Rate Period, it shall give notice thereof to holders of Series 3 Preferred Shares by publishing the Annual Dividend Rate once in the national edition of the English daily *The Globe and Mail* and once in the city of Montreal in a widely circulated French daily newspaper and a widely circulated English daily newspaper, it being understood that if these daily newspapers are no longer widely circulated at that time, the notice shall be published in an equivalent publication.

3.2(B).4. Rights on Liquidation

In the event of any 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 the Series 3 Preferred Shares shall be entitled to receive $25.00 in lawful money of Canada per Series 3 Preferred Share together with the amount equal to all accrued and unpaid cumulative preferential dividends thereon, whether or not declared, calculated to the date of payment or distribution, before any payment or distribution is made to holders of shares of the Corporation ranking junior to the Series 3 Preferred Shares. Upon payment to the holders of the Series 3 Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of property or assets of the Corporation.
3.2(B).5. Redemption of Shares at the Option of the Corporation

The Corporation shall not be entitled to redeem Series 3 Preferred Shares prior to August 1, 2007. Subject to applicable laws and to section 3.2(B).8 hereof, after having given notice in the manner set forth hereinafter, the Corporation shall be entitled, on August 1, 2007 and on August 1st of every fifth year thereafter, to redeem not less than all of the outstanding Series 3 Preferred Shares in payment of $25.00 for each such share so redeemed, together with accrued and unpaid cumulative preferential dividends, whether or not declared thereon, calculated up to but excluding the date fixed for the redemption, the whole constituting the redemption price.

No less than 45 days and no more than 60 days prior to the contemplated redemption date, the Corporation shall give a written notice of its intention to redeem the Series 3 Preferred Shares to each person who, on the date of sending of the said notice, is a holder of the shares to be redeemed. The notice shall set forth the redemption price and the date fixed for the redemption; on or after the redemption date, upon presentation and surrender of the certificate or certificates representing the Series 3 Preferred Shares at any place or places in Canada mentioned in the notice, the Corporation shall pay or see to the payment of the redemption price to holders of Series 3 Preferred Shares to be redeemed (less any taxes which must be deducted or withheld in respect of the redemption price). Payment shall be made by cheque negotiable at par at any branch of the Corporation’s banks located within Canada. As of the date mentioned in the notice, holders of Series 3 Preferred Shares called for purposes of redemption shall not be entitled to any further dividends on such shares nor shall they be entitled to exercise any rights as shareholders with respect to such shares, unless the Corporation fails to pay the redemption price, in which case the holders' rights shall remain unchanged. At any time after the aforementioned redemption notice has been given, the Corporation shall be entitled to deposit the amount of the redemption price of all or part of the Series 3 Preferred Shares called for purposes of redemption in one or more chartered banks or trust companies within Canada who shall have been named in the redemption notice. Such deposits shall be made in one or more special trust accounts for the benefit of holders of shares to be redeemed, and the amounts shall be paid to them by such banks or trust companies upon remittance of the certificate or certificates; once these deposits have been made, the shares shall be deemed to have been redeemed on the date set forth in the redemption notice. After the Corporation has effected a deposit in the aforementioned manner with respect to any of the shares, as of the redemption date holders of such shares shall not have any further rights as shareholders with respect to such shares and their rights shall be limited to the collection of the portion of the deposited amounts applicable to such shares, without interest (less any taxes which must
be deducted or withheld in respect of said amount); any accrued interest on such deposits shall belong to the Corporation.

3.2(B).6. Purchase for Purposes of Cancellation

Subject to the provisions of section 3.2(B).8 hereof, the Corporation shall at all times be entitled to purchase, for purposes of cancellation, all or part of the Series 3 Preferred Shares outstanding from time to time, such purchase to be made in the open market through the intermediary of a securities dealer or any member firm of a recognized Exchange or by private agreement or otherwise, at the lowest price at which, in the opinion of the Board of Directors of the Corporation, these shares may be obtained, plus an amount equal to all Accrued and Unpaid Dividends thereon and the costs of purchase.

3.2(B).7. Conversion of Series 3 Preferred Shares

3.2(B).7.1. Conversion at the Option of the Holder

Subject to the provisions and conditions hereof, on August 1, 2007 and on August 1st of every fifth year thereafter (a “Conversion Date”), holders of Series 3 Preferred Shares shall have the option to convert all or part of the Series 3 Preferred Shares registered in their name into Series 2 Preferred Shares of the Corporation on the basis of one (1) Series 2 Preferred Share for each Series 3 Preferred Share. The Corporation shall give a written notice to holders of Series 3 Preferred Shares which are then outstanding setting forth the Selected Percentage Rate which has been determined by the Board of Directors to be applicable during the subsequent Fixed Dividend Rate Period as well as the conversion right provided for herein. The said notice shall indicate the Conversion Date and shall be given at least 45 days and no more than 60 days prior to the applicable Conversion Date.

If, as provided for in section 3.2(B).5 hereof, the Corporation notifies holders of Series 3 Preferred Shares of the redemption of all the Series 3 Preferred Shares, it shall not be required to notify them, as provided for in this section 3.2(B).7.1, of the Selected Percentage Rate or of their right of conversion; moreover, the rights of each holder of Series 3 Preferred Shares to convert such shares, as set forth herein, shall terminate in that event.

If, after the Close of Business on the 14th day preceding a Conversion Date, the Corporation determines that there would be less than 1,000,000 Series 2 Preferred Shares outstanding on
the Conversion Date, taking into account all Series 3 Preferred Shares deposited for purposes of conversion into Series 2 Preferred Shares and, if applicable, all Series 2 Preferred Shares deposited for purposes of conversion into Series 3 Preferred Shares, holders of Series 3 Preferred Shares shall not be entitled to convert their shares into Series 2 Preferred Shares. No later than seven (7) days prior to a given Conversion Date, the Corporation shall give written notice of such a situation to the holders of Series 3 Preferred Shares affected by this situation and, prior to the said Conversion Date, it shall, at its own expense, issue and send to holders of Series 3 Preferred Shares having deposited one or more certificates representing Series 3 Preferred Shares for purposes of conversion, new certificates representing the Series 3 Preferred Shares represented by one or more certificates deposited as mentioned hereinabove, or, prior to the said Conversion Date, it shall, at its own expense, return to such holders the said certificates deposited for purposes of conversion and representing Series 3 Preferred Shares.

3.2(B).7.2. Automatic Conversion

If, after the Close of Business on the 14th day preceding a Conversion Date, the Corporation determines that there would be less than 1,000,000 Series 3 Preferred Shares outstanding on the Conversion Date, taking into account all Series 3 Preferred Shares deposited for purposes of conversion into Series 2 Preferred Shares and, if applicable, all Series 2 Preferred Shares deposited for purposes of conversion into Series 3 Preferred Shares, all but not less than all of the remaining outstanding Series 3 Preferred Shares shall be converted automatically into Series 2 Preferred Shares on the basis of one (1) Series 2 Preferred Share for each Series 3 Preferred Share, the whole as of the Close of Business on the applicable Conversion Date; in such a case, the Corporation shall give a written notice to that effect to holders of such remaining Series 3 Preferred Shares no later than seven (7) days prior to the Conversion Date.

3.2(B).7.3. Exercise of the Conversion Privilege

The conversion of Series 3 Preferred Shares may be effected by remitting the certificate or certificates representing the said shares no earlier than 45 days prior to a given Conversion Date and no later than the Close of Business on the 14th day preceding the said Conversion Date, during regular business
hours at any office of a Transfer Agent of the Corporation where the Series 3 Preferred Shares may be transferred; such share certificates shall be remitted together with the following: (i) payment or a receipt evidencing the payment of all taxes (if any) payable as provided for in this section 3.2(B).7.3; and (ii) a remittance instrument deemed acceptable by the Corporation and duly signed by the holder or his attorney duly authorized in writing, which instrument may set forth the holder’s wish to only convert part of the Series 3 Preferred Shares represented by such certificate or certificates, which shares have not yet been called for purposes of redemption, in which event the Corporation shall issue and mail to the said holder, at the Corporation’s own expense, a new certificate representing the Series 3 Preferred Shares represented by such certificate or certificates and which have not been converted.

If the Corporation is required to convert all of the remaining outstanding Series 3 Preferred Shares into Series 2 Preferred Shares on the applicable Conversion Date, as provided for in section 3.2(B).7.2, the Series 3 Preferred Shares which holders had not chosen to convert shall be converted into Series 2 Preferred Shares on the said Conversion Date, and holders of such shares shall be deemed to be holders of Series 2 Preferred Shares as of the Close of Business on the Conversion Date and, after they shall have remitted, during regular business hours at any office of a Transfer Agent of the Corporation where the Series 2 Preferred Shares may be transferred, the certificate or certificates representing Series 3 Preferred Shares not previously remitted for purposes of conversion, they shall be entitled to receive one or more certificates representing the same number of Series 2 Preferred Shares in the manner and according to the provisions set forth in this section 3.2(B).7.3.

As soon as possible after a given Conversion Date, the Corporation shall issue and mail to a holder of Series 3 Preferred Shares which have been so remitted, or in accordance with the holder’s written instructions, one or more certificates issued in his name or in the name of the person or persons designated by him, such certificate or certificates to be issued for the number of fully paid and non-assessable Series 2 Preferred Shares and remaining Series 3 Preferred Shares, if any, to which the holder is entitled. Such conversion shall be deemed to have been made at the Close of Business on the Conversion Date, such that the rights of the holder of such Series 3 Preferred Shares, in his capacity as holder thereof,
shall cease as of that moment and the person or persons entitled to receive the Series 2 Preferred Shares as a result of the conversion shall be considered, for all purposes, as the registered holder or holders of the said Series 2 Preferred Shares at that moment.

The holder of any Series 3 Preferred Share registered as holder on the record date for purposes of payment of any dividend declared payable in respect of such share shall be entitled to the said dividend even if the share is converted into a Series 2 Preferred Share after such record date and on or prior to the date of payment of the said dividend.

The issuance of Series 2 Preferred Share certificates at the time of the conversion of Series 3 Preferred Shares shall be made at no cost to holders converting their Series 3 Preferred Shares as regards any fees applicable to the issuance of the said certificates or the Series 2 Preferred Shares represented thereby. However, the holder converting such shares or the assignee thereof shall be required to pay all taxes, whether governmental or otherwise, likely to be imposed upon him with respect to the transaction, and the Corporation shall be entitled to demand that such taxes be paid or that proof of payment be presented.

3.2(B).7.4. Status of Converted Series 3 Preferred Shares

None of the Series 3 Preferred Shares which have been converted into Series 2 Preferred Shares on a given Conversion Date shall be cancelled; these shares shall once again become authorized but unissued Series 3 Preferred Shares of the Corporation as at the Close of Business on the Conversion Date.

3.2(B).8. Restrictions Regarding Dividends and the Retirement of Shares

The Corporation shall not, without the approval of the holders of outstanding Series 3 Preferred Shares given in accordance with the provisions hereof:

3.2(B).8.1. pay or set apart for payment any dividends (other than stock dividends payable in any shares of the Corporation ranking junior to the Series 3 Preferred Shares) on any shares of the Corporation ranking junior to the Series 3 Preferred Shares;

3.2(B).8.2. call for redemption, redeem, purchase or otherwise retire for value or make any capital distribution on or in respect of any
shares of the Corporation ranking junior to the Series 3 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking junior to the Series 3 Preferred Shares);

3.2(B).8.3. call for redemption, redeem, purchase or otherwise retire for value less than all the Series 3 Preferred Shares then outstanding; or

3.2(B).8.4. call for redemption, redeem, purchase or otherwise retire for value (except in connection with the exercise of any retraction privilege or mandatory redemption obligation attaching thereto) any shares of the Corporation of any class or series ranking on a parity with the Series 3 Preferred Shares, provided that, for greater certainty, the covenant in this section 3.2(B).8.4 shall not limit or affect any such action in respect of any class of shares ranking in priority to the Series 3 Preferred Shares;

unless, in each such case, all cumulative preferential dividends accrued on outstanding Series 3 Preferred Shares up to and including the dividend payable on the last preceding Dividend Payment Date shall have been declared and paid or set aside for payment.

The approval of holders of Series 3 Preferred Shares required pursuant to this section 3.2(B).8 may be given in accordance with the third paragraph of section 3.2(B).9 and with section 3.2(B).12. Notwithstanding the provisions of section 3.2(B).12 hereof, any approval required pursuant to this section 3.2(B).8 shall be given only by the affirmative vote of holders of a majority of the Series 3 Preferred Shares present or represented at a meeting or adjourned meeting of holders of Series 3 Preferred Shares duly called for such purpose and at which a quorum is present.

3.2(B).9. Voting Rights

Unless otherwise provided for at law, holders of Series 3 Preferred Shares shall not be entitled to vote at meetings of shareholders of the Corporation, nor shall they be entitled to receive notices of such meetings or to attend same, except as provided for in the following paragraph.

If the Corporation fails to pay in full eight (8) quarterly dividends on the Series 3 Preferred Shares, whether or not consecutive, holders of Series 3 Preferred Shares shall be entitled to receive notice of every meeting of shareholders of the Corporation (other than a separate meeting of the holders of any other class or series of shares) which is held more than 60 days after the date on which the failure first occurs and they shall be entitled to vote
thereat, together with the holders of Restricted Shares and the holders of shares of any other class or series of shares entitled to vote thereat, on the basis of one (1) vote per Series 3 Preferred Share held, such rights to exist until all arrears of dividends on the Series 3 Preferred Shares shall have been paid, at which time the said rights shall terminate and shall be revived only if the Corporation is once again in default pursuant to the provisions of this section 3.2(B).9.

Each Series 3 Preferred Share shall confer one (1) vote upon its holder with respect to any measures to be taken by the Corporation which require the approval of holders of Series 3 Preferred Shares voting as a series.

3.2(B).10. Issuance of Additional Preferred Shares

The Corporation shall be entitled to issue additional series of preferred shares ranking on a parity with the Series 3 Preferred Shares or ranking junior to the Series 3 Preferred Shares without the approval of holders of Series 3 Preferred Shares.

3.2(B).11. Amendments

The provisions attaching to the Series 3 Preferred Shares as a series may be repealed or amended from time to time, provided the approvals then required by the Canada Business Corporations Act or any successor legislation, as amended from time to time, have been given in accordance with the third paragraph of section 3.2(B).9 and with section 3.2(B).12 hereof.

None of the provisions of the Articles of the Corporation relating to Series 3 Preferred Shares as a series shall be amended or otherwise changed, unless, contemporaneously therewith, the series provisions, if any, relating to Series 2 Preferred Shares are, to the extent deemed necessary by the Corporation, amended or otherwise changed in the same proportion and in the same manner, mutatis mutandis.

If there are no Series 3 Preferred Shares issued and outstanding, the Corporation shall not be entitled to amend or otherwise change the provisions attaching to the Series 3 Preferred Shares as set forth in the Articles of the Corporation, unless the amendment or change in question is also approved by holders of Series 2 Preferred Shares then outstanding, such approval to be given in accordance with the third paragraph of section 3.2(B).9 and with section 3.2(B).12 hereof.

3.2(B).12. Approval of Holders of Series 3 Preferred Shares

Every approval of holders of Series 3 Preferred Shares shall be deemed to have been given validly for all purposes if it is given by holders of Series 3
Preferred Shares in accordance with the provisions attaching to preferred shares, as a class, as same are applicable hereto, *mutatis mutandis*.

3.2(B).13. Tax Election

The Corporation shall make a tax election, in the manner and within the deadline prescribed by the *Income Tax Act* (Canada), pursuant to section 191.2(1) of Part VI.1 of the said Act (or any other successor or replacing provision of similar scope), and it shall take all necessary measures in accordance with the said Act in order to pay or see to the payment of the tax payable pursuant to Part VI.1 of the said Act (or any other successor or replacing provision of similar scope) at a rate such that no holder of Series 3 Preferred Shares that is a corporation shall be required, pursuant to section 187.2 of Part IV.1 of the said Act (or any other successor or replacing provision of similar scope), to pay tax on the dividends received in respect of the Series 3 Preferred Shares.

3.2 (C) Series 4 Preferred Shares

3.2(C).1. Definitions

Unless the context otherwise requires it, for purposes hereof:

3.2(C).1.1. “Annual Dividend Rate” means 6.25% per annum;

3.2(C).1.2. “Board of Directors” means either the Board of Directors of the Corporation or any other duly authorized committee or member of the Board of Directors of the Corporation;

3.2(C).1.3. “Conversion Date” shall have the meaning ascribed thereto in paragraph 3.2(C).8.2 hereof;

3.2(C).1.4. “Current Market Price” shall have the meaning ascribed thereto in subparagraph 3.2(C).7.1.1 hereof;

3.2(C).1.5. “Dividend Payment Date” means the last day of each of January, April, July and October in each year, and the first Dividend Payment Date shall be April 30, 2002;

3.2(C).1.6. “Dividend Period” means the period from and including a Dividend Payment Date to but not including the next succeeding Dividend Payment Date;

3.2(C).1.7. “Exchange” means the Toronto Stock Exchange, or any other stock exchange or organized market as may be determined from time to time by an officer of the Corporation as being the principal trading market for the Series 4 Preferred Shares;
3.2(C).1.8. “Further Shares” shall have the meaning ascribed thereto in paragraph 3.2(C).8.1 hereof;

3.2(C).1.9. “Partial Period” shall have the meaning ascribed thereto in paragraph 3.2(C).3.2;

3.2(C).1.10. “ranking in priority”, “ranking on a parity” or “ranking junior” and similar expressions, whether used individually or collectively, mean the order of priority of the shares of different classes or series as regards the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether or not voluntary, or in the event of any other repayment of capital or distribution of the assets of the Corporation among its shareholders for purposes of winding up its affairs;

3.2(C).1.11. “Restricted Shares” means the Class A shares (multiple voting) of the Corporation and the Class B shares (subordinate voting) of the Corporation;

3.2(C).1.12. “Series 4 Preferred Shares” means the 6.25% Series 4 Cumulative Redeemable Preferred Shares;

3.2(C).1.13. “Trading Period” shall have the meaning ascribed thereto in subparagraph 3.2(C).7.1.1 hereof; and

3.2(C).1.14. “Transfer Agent” means the transfer agent of the Series 4 Preferred Shares and includes all mandataries of such transfer agent.

3.2(C).2. Interpretation

3.2(C).2.1. Subject to paragraph 3.2(C).2.2 hereof, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is delivered or sent by prepaid ordinary mail to holders of Series 4 Preferred Shares at their respective addresses as set forth in the register or registers of the Series 4 Preferred Shares or, failing such registration, to the Corporation’s last known address for any such holder. As regards joint holders, every notice, cheque or other communication from the Corporation provided for herein shall be validly given if it is mailed as stipulated in the preceding sentence to the address of the joint holder whose name appears first on the register or registers of the Series 4 Preferred Shares as a joint holder of the said shares. The involuntary or accidental omission to send a notice or other communication to
one or more holders of Series 4 Preferred Shares shall not affect the validity of notices or other communications validly given nor shall it affect measures taken as a result of such a notice; however, as soon as such an omission is discovered, the notice or other communication, as the case may be, shall be sent immediately to the holder(s) in question.

3.2(C).2.2. If there is an interruption or threatened interruption of the postal service in any territory in which, according to the addresses recorded in the register or registers of the Series 4 Preferred Shares, holders of Series 4 Preferred Shares reside, the Corporation may (without being obliged) give the said notice to the holders residing in such territory by publishing it once, two weeks in a row, in a widely circulated daily newspaper published or distributed in the capital of such territory or, if the Corporation keeps a register of transfers of the Series 4 Preferred Shares in the said territory, in the city in such territory in which the register of transfers is kept. Every notice given by means of publication shall be deemed to have been given validly for all purposes.

3.2(C).2.3. Every notice sent by mail shall be deemed to have been given on the day it is mailed, unless, on the day it is mailed or on the following day there is an interruption of the postal service in the territory in which or to which the notice was mailed. Every notice given by means of publication shall be deemed to have been given on the day of the first publication in the city in which it is published.

3.2(C).2.4. If the day on which dividends are payable on the Series 4 Preferred Shares or on which any other measures are to be taken or should have been taken pursuant hereto is not a business day, the dividends shall be paid or the other measures shall be taken, as the case may be, on the following business day; “business day” means any day other than a Saturday, a Sunday or a legal holiday in the place where the Corporation has its main executive office at the time in question.

3.2(C).2.5. All amounts set forth herein are expressed in Canadian dollars.

3.2(C).2.6. Notwithstanding any provision to the contrary set forth herein, the payment of any sum of money may be made by electronic transfer or by any other means which the Board of Directors may approve, instead of being made by cheque. In such an event, the payment of sums of money to holders of Series 4 Preferred Shares shall be deemed to constitute payment and
shall release the Corporation from all its obligations with respect to the payment of such sums, up to the amount represented thereby, unless the payment is not honoured by the Corporation.

3.2(C).3. Right to Dividends

3.2(C).3.1. The holders of the Series 4 Preferred Shares shall be entitled to receive, if, as and when declared by the Board of Directors, fixed quarterly cumulative preferential cash dividends out of the funds of the Corporation which may properly be allocated for the payment of dividends, at the rate of $1.5625 per share per annum (being the amount obtained by multiplying $25.00 by the Annual Dividend Rate). Dividends on the Series 4 Preferred Shares shall accrue daily at the Annual Dividend Rate as of (i) their date of issuance, inclusively, or (ii) the last Dividend Payment Date, inclusively, on which dividends were paid or allocated for payment, whichever occurs last, and shall be payable quarterly on each Dividend Payment Date, provided they have been declared by the Board of Directors. Therefore, on each Dividend Payment Date, except April 30, 2002, the dividend payable shall be $0.390625 per Series 4 Preferred Share. For greater certainty, the amount of the first quarterly dividend, if it is declared, shall be payable with respect to each Series 4 Preferred Share outstanding on April 30, 2002 and shall correspond to the sum of the amount accrued on the share in question from the date of issue and until April 30, 2002, exclusively. Thus, if declared, the initial dividend shall be payable on April 30, 2002 and shall be in the amount of $0.226884 per share, assuming that the date of issue is March 8, 2002.

3.2(C).3.2. Except as otherwise provided in paragraph 3.2(C).3.1 hereof, the amount of any accrued and unpaid dividend for any period which is less than a full Dividend Period (a “Partial Period”) on any Series 4 Preferred Shares which cease to be outstanding, by reason of conversion, redemption or otherwise, shall be determined in accordance with the following formula:

\[ D = \frac{N (1.5625)}{Y} \]

Where: D is the amount of the accrued and unpaid dividends payable per Series 4 Preferred Share;
3.2(C).3.3. Cheques issued by the Corporation, representing the amount of such dividends, which cheques shall be drawn on a Canadian chartered bank and shall be negotiable at par at any branch of such bank within Canada, shall be issued to holders of Series 4 Preferred Shares entitled thereto. The mailing of such cheques to holders of Series 4 Preferred Shares shall be deemed to constitute payment of such dividends and shall release the Corporation from all its obligations with respect to the payment of such dividends, up to the amount of the cheques (and of any taxes which must be and are deducted or withheld on such amounts), unless the cheques are not honoured at the time they are presented for payment. Any dividends represented by a cheque which has not been duly presented for payment within six years following its issuance or which have not otherwise been claimed during the six years following the date on which they were declared payable or allocated for purposes of payment shall vest in the Corporation.

3.2(C).3.4. If, on a given Dividend Payment Date, the dividends accrued to such date are not paid in full on all the then outstanding Series 4 Preferred Shares, the said dividends or the unpaid portion thereof shall be paid on one or more subsequent dates to be set by the Board of Directors and on which the Corporation has the necessary funds which may validly be allocated for the payment of dividends. Holders of Series 4 Preferred Shares shall not be entitled to any dividends other than the cash dividend provided for in this section 3.2(C).3, nor shall they be entitled to any dividends in excess thereof.

3.2(C).4. Rights on Liquidation

3.2(C).4.1. In the event of any 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 the Series 4 Preferred Shares shall be entitled to be paid and receive an amount equal to $25.00 per Series 4 Preferred Share together with an amount equal to all accrued and unpaid dividends thereon, whether declared or not, up to
and including the date of distribution, before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of Restricted Shares or shares of any other class of the Corporation ranking junior to the Series 4 Preferred Shares. Upon payment to the holders of the Series 4 Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

3.2(C).5. Redemption of Series 4 Preferred Shares at the Option of the Corporation

3.2(C).5.1. The Corporation shall not redeem the Series 4 Preferred Shares prior to March 31, 2007. Subject to (i) sections 3.2(C).6 and 3.2(C).9 hereof and (ii) to the Canada Business Corporations Act, or any successor legislation, as amended from time to time, on or after March 31, 2007, the Corporation may redeem at any time the whole, or from time to time, any part of the then outstanding Series 4 Preferred Shares upon payment in cash of the amount of (i) $26.00 per share if redeemed prior to March 31, 2008, (ii) $25.75 if redeemed on or after March 31, 2008 but prior to March 31, 2009, (iii) $25.50 if redeemed on or after March 31, 2009 but prior to March 31, 2010, (iv) $25.25 if redeemed on or after March 31, 2010 but prior to March 31, 2011, and (v) $25.00 if redeemed on or after March 31, 2011, in each case together with an amount equal to all accrued and unpaid cumulative dividends thereon, whether or not declared, calculated up to but excluding the date of redemption, the whole constituting the redemption price.

3.2(C).5.2. No less than 30 days and no more than 60 days prior to the contemplated redemption date, the Corporation shall give a written notice of its intention to redeem the Series 4 Preferred Shares to each person who, on the date of sending of the said notice, is a holder of the Series 4 Preferred Shares to be redeemed. The notice shall set forth the redemption price, the place or places of redemption (which must be in Canada), the date fixed for the redemption, and if part only of the Series 4 Preferred Shares held by the person to whom the notice is addressed is to be redeemed, the number thereof so to be redeemed; on or after the redemption date, upon presentation and surrender of the certificate or certificates representing the Series 4 Preferred Shares at any place or places mentioned in the notice, the Corporation shall pay or see to the payment of the redemption price to holders of Series 4 Preferred Shares to be redeemed (less any taxes which must be deducted or withheld in respect of the redemption price). Payment shall be
made by cheque negotiable at par at any branch of the Corporation’s bankers located within Canada. As of the redemption date mentioned in the notice, holders of Series 4 Preferred Shares called for purposes of redemption shall not be entitled to any further dividends on such shares nor shall they be entitled to exercise any rights as shareholders with respect to such shares, unless the Corporation fails to pay the redemption price, in which case the holders’ rights shall remain unchanged.

3.2(C).5.3. At any time after the aforementioned redemption notice has been given, the Corporation shall be entitled to deposit the amount of the redemption price of all or part of the Series 4 Preferred Shares called for purposes of redemption in one or more chartered banks or trust companies within Canada which shall have been named in the redemption notice. Such deposits shall be made in one or more special trust accounts for the benefit of holders of Series 4 Preferred Shares to be redeemed, and the amounts shall be paid to them by such banks or trust companies upon surrender of the certificate or certificates of Series 4 Preferred Shares; once these deposits have been made, the Series 4 Preferred Shares shall be deemed to have been redeemed on the date set forth in the redemption notice. After the Corporation has effected a deposit in the aforementioned manner with respect to any of the Series 4 Preferred Shares, as of the redemption date, holders of such shares shall not have any further rights as shareholders with respect to such shares and their rights shall be limited to the collection of the portion of the deposited amounts applicable to such shares, without interest (less any taxes which must be deducted or withheld in respect of said amount); any accrued interest on such deposits shall belong to the Corporation.

3.2(C).5.4. If less than all outstanding Series 4 Preferred Shares are at any time to be redeemed, the shares to be redeemed will be selected by lot in such manner as the Corporation in its sole discretion may determine, or if the Corporation so determines, may be redeemed pro rata, disregarding fractions, or may be selected in such other equitable manner as the Corporation determines.

3.2(C).5.5. If part only of the Series 4 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

3.2(C).5.6. Redemption moneys (including moneys held on deposit as provided herein) that are represented by a cheque which has not been duly presented for payment within, or that otherwise
remain unclaimed for, a period of six years from the date fixed for redemption shall, unless applicable law otherwise provides, vest in the Corporation.

3.2(C).6. Purchase for Purposes of Cancellation

3.2(C).6.1. Subject to the provisions of section 3.2(C).9 hereof, the Corporation shall at any time or times be entitled to purchase, for purposes of cancellation, all or any part of the Series 4 Preferred Shares outstanding from time to time, such purchase to be made in the open market through the intermediary of an investment dealer or any member firm of a recognized Exchange or by private agreement or otherwise, at the lowest price at which, in the opinion of the Board of Directors, these shares may be obtained.

3.2(C).7. Conversion of Series 4 Preferred Shares into Class B shares (subordinate voting) of the Corporation

3.2(C).7.1. Conversion Privilege

3.2(C).7.1.1. The Series 4 Preferred Shares shall not be convertible at the option of the Corporation prior to March 31, 2007. On or after March 31, 2007, the Corporation may, subject to the approval of the Exchange and such other stock exchanges on which such shares are then listed, at any time convert all, or from time to time any part, of the outstanding Series 4 Preferred Shares into fully paid and non-assessable Class B shares (subordinate voting) of the Corporation. The number of Class B shares (subordinate voting) of the Corporation into which each Series 4 Preferred Share may be so converted shall be determined by dividing the then applicable redemption price determined in accordance with paragraph 3.2(C).5.1 hereof together with all accrued and unpaid dividends on such Series 4 Preferred Shares, whether declared or not, to but excluding the date of conversion by the greater of $2.00 and 95% of the weighted average trading price of such Class B shares (subordinate voting) of the Corporation on the Exchange for the period of 20 consecutive trading days (the “Trading Period”) which ends on the fourth day prior to the date specified for conversion or, if that fourth day is not a trading day, on the immediately preceding trading day (the “Current Market Price”).
3.2(C).7.1.2. In the event of:

(i) subdivisions, consolidations or reclassifications of Class B shares (subordinate voting) of the Corporation;

(ii) distributions to all or substantially all the holders of Class B shares (subordinate voting) of the Corporation of:

- shares (other than shares distributed in lieu of dividends paid in the ordinary course),
- rights, options or warrants,
- evidence of indebtedness, or
- assets (other than dividends paid in the ordinary course); or

(iii) other similar changes in the share capital of the Corporation;

which in the opinion of the Board of Directors have or shall have had an effect on the trading price of Class B shares (subordinate voting) of the Corporation on any date during the period commencing with the first day of the Trading Period and ending on the date fixed for conversion, the Board of Directors, shall, on or prior to the date fixed for conversion, prescribe adjustments to be made to the number of Class B shares (subordinate voting) of the Corporation to be issued on the date fixed for conversion in order to make the number of Class B shares (subordinate voting) of the Corporation to be issued on the date fixed for conversion fully comparable with the number of Class B shares (subordinate voting) of the Corporation which would otherwise have been issuable had any of the foregoing changes not occurred.

3.2(C).7.1.3. Fractional Class B shares (subordinate voting) of the Corporation shall not be issued on any conversion of Series 4 Preferred Shares but in lieu thereof the Corporation shall make cash payments in an amount per fractional Class B share (subordinate voting) of the Corporation otherwise issuable equal to the product of the fraction of the Class B share (subordinate voting) of the Corporation otherwise issuable and the greater of $2.00 and 95% of such Current Market Price, as adjusted, if applicable.
3.2(C).7.2. Exercise of the Conversion Privilege

3.2(C).7.2.1. No less than 30 days and no more than 60 days prior to the contemplated conversion date, the Corporation shall give a written notice of its intention to convert the Series 4 Preferred Shares to each person who, on the date of sending the said notice, is a holder of the Series 4 Preferred Shares to be converted. The notice shall set forth the date fixed for the conversion and, if part only of the Series 4 Preferred Shares held by the person to whom it is addressed is to be converted, the number of such Series 4 Preferred Shares to be converted. On the date fixed for conversion, the Series 4 Preferred Shares which are the subject of any such notice shall be converted into whole, fully paid and non-assessable Class B shares (subordinate voting) of the Corporation.

3.2(C).7.2.2. If less than all outstanding Series 4 Preferred Shares are at any time to be converted, the shares to be converted will be selected by lot in such manner as the Corporation in its sole discretion may determine, or if the Corporation so determines, may be converted pro rata, disregarding fractions, or may be selected in such other equitable manner as the Corporation determines.

3.2(C).7.2.3. As promptly as practicable after the date fixed for conversion, the Corporation shall issue and deliver or cause to be delivered to the holders as at the date fixed for conversion of Series 4 Preferred Shares so converted a certificate or certificates for the number of Class B shares (subordinate voting) of the Corporation issued to such holders on presentation and surrender at the office of the Transfer Agent, or any other place designated in such notice, of the certificates for the Series 4 Preferred Shares so converted. If less than all of the Series 4 Preferred Shares represented by a certificate or certificates are to be converted under this section 3.2(C).7, the Corporation shall issue and deliver or cause to be delivered, at the expense of the Corporation, a new certificate representing the Series 4 Preferred Shares comprised in the certificate or certificates surrendered as aforesaid which are not to be converted.

3.2(C).7.2.4. Any payment in respect of a fraction of a Class B share (subordinate voting) of the Corporation shall be made by cheque negotiable at par at any branch of a Canadian chartered bank payable to the holder as at the date fixed for conversion of Series 4 Preferred Shares so converted. The
Corporation shall deliver or cause to be delivered such cheque with the certificate or certificates for the Class B shares (subordinate voting) of the Corporation and the certificate for the Series 4 Preferred Shares, if any, deliverable in accordance herewith.

3.2(C).7.2.5. As of the date mentioned in the notice, holders of Series 4 Preferred Shares called for purposes of conversion shall not be entitled to any further dividends on such shares nor shall they be entitled to exercise any rights as shareholders with respect to such shares, unless the Corporation fails to issue and deliver the certificates of the Class B shares (subordinate voting) of the Corporation issued as a result of the conversion and pay any amount to which such holders are entitled, in which case the holders’ rights shall remain unchanged.

3.2(C).8. Conversion of Series 4 Preferred Shares into Preferred Shares

3.2(C).8.1. Creation of Further Series

The Corporation may in its sole discretion at any time and from time to time create one or more further series of Preferred Shares (the “Further Shares”) into which any Series 4 Preferred Shares then outstanding may, at the option of the holder, be converted on a share-for-share basis on and subject to the terms and conditions hereinafter appearing. Any such Further Shares shall be identified by an express indication in the rights, privileges, restrictions or conditions attaching thereto that the shares of that series are intended to be shares into which the Series 4 Preferred Shares have become convertible hereunder. If and whenever the Corporation proposes to create a series of Further Shares it shall give the holders of the Series 4 Preferred Shares then outstanding no less than 60 and no more than 90 days’ notice of the conversion privilege, the procedure for exercising same, a description of the rights, privileges, restrictions and conditions attaching to the Further Shares and other relevant matters, in sufficient detail to permit holders of Series 4 Preferred Shares to form a reasoned judgment on whether or not to exercise the conversion privilege. Such other matters shall include without limitation confirmation that the Corporation is in compliance with its continuous reporting obligations under applicable securities laws, the credit ratings ascribed to the Further Shares, the then current earnings coverage ratios with respect to dividends of the Further Shares calculated in accordance with applicable securities laws, the eligibility for investment on
the Further Shares, the status of listings of the Further Shares for trading on recognized stock exchanges in Canada, the tax consequences of conversion under the Income Tax Act (Canada), and the status of the Further Shares regarding applicable resale restrictions under Canadian securities legislation.

3.2(C).8.2. Right of Conversion

Subject to and in compliance with paragraph 3.2(C).8.3 and applicable law, if and whenever the Corporation creates a series of Further Shares a holder of any Series 4 Preferred Shares shall have the right, at the holder’s option, to convert Series 4 Preferred Shares into an equivalent number of Further Shares on the 45th day (for the purpose of this section 3.2(C).8, a “Conversion Date”) following the date of delivery, mailing, sending or publication of the notice of conversion privilege given under paragraph 3.2(C).8.1.

3.2(C).8.3. Conversion Procedure

Any holder of Series 4 Preferred Shares may exercise the conversion privilege provided for in this section 3.2(C).8 by tendering to the Transfer Agent on or before the Conversion Date, (i) a written notice exercising such right, indicating the number of Series 4 Preferred Shares to be converted, the person(s) in whose name(s) the Further Shares are to be issued and (where appropriate) the number of Further Shares to be issued to each, and (ii) the certificates for the Series 4 Preferred Shares to be converted, duly endorsed. On the Conversion Date, the holder of the Series 4 Preferred Shares so tendered for conversion (or, upon satisfaction of any conditions precedent to the Corporation’s duty to register a transfer of such shares, the persons named in such notice) shall be deemed for all purposes the holder of record at such date of Further Shares in the capital of the Corporation in the number indicated by such notice. Such persons shall be entitled to delivery of certificates representing their Further Shares promptly after the Conversion Date and the stated capital accounts maintained by the Corporation for the Series 4 Preferred Shares and for the Further Shares shall automatically be adjusted to reflect the conversion. Upon the conversion of any Series 4 Preferred Shares the Corporation shall forthwith pay, to the holder of the Series 4 Preferred Shares which were converted, an amount equal to all dividends, if any, accrued thereon and unpaid to but not including the Conversion Date. If less than all of the Series
4 Preferred Shares represented by any certificate are converted, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the unconverted balance of the Series 4 Preferred Shares.

3.2(C).8.4. Changes to Further Shares

While any right to convert Series 4 Preferred Shares into Further Shares is exercisable, that series of Further Shares shall not be reclassified, consolidated, subdivided or otherwise changed except with the approval of the holders of the Series 4 Preferred Shares then outstanding given in accordance with section 3.2(C).13 hereof.

3.2(C).9. Restrictions Regarding Dividends and the Retirement of Shares

3.2(C).9.1. So long as any of the Series 4 Preferred Shares are outstanding, the Corporation shall not, without the approval of the holders of outstanding Series 4 Preferred Shares given in accordance with the provisions hereof:

3.2(C).9.1.1. pay or set apart for payment any dividends (other than stock dividends payable in any shares of the Corporation ranking junior to the Series 4 Preferred Shares) on any shares of the Corporation ranking junior to the Series 4 Preferred Shares;

3.2(C).9.1.2. call for redemption, redeem, purchase or otherwise retire for value or make any capital distribution on or in respect of any shares of the Corporation ranking junior to the Series 4 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking junior to the Series 4 Preferred Shares);

3.2(C).9.1.3. call for redemption, redeem, purchase or otherwise retire for value less than all the Series 4 Preferred Shares then outstanding; or

3.2(C).9.1.4. call for redemption, redeem, purchase or otherwise retire for value (except in connection with the exercise of any retraction privilege or mandatory redemption obligation attaching thereto) any shares of the Corporation of any class or series ranking on a parity with the Series 4 Preferred Shares, provided that, for greater certainty, the covenant in this subparagraph 3.2(C).9.1.4 shall not limit or
affect any such action in respect of any class of shares ranking in priority to the Series 4 Preferred Shares;

unless, in each such case, all cumulative preferential dividends accrued on outstanding Series 4 Preferred Shares up to and including the dividend payable on the last preceding Dividend Payment Date shall have been declared and paid or set aside for payment.

3.2(C).9.2. The approval of holders of Series 4 Preferred Shares required pursuant to this section 3.2(C).9 may be given in accordance with paragraphs 3.2(C).11.3 and 3.2(C).14.1. Notwithstanding the provisions of paragraph 3.2(C).14.1, any approval required pursuant to this section 3.2(C).9 shall be given only by the affirmative vote of holders of the majority of the Series 4 Preferred Shares present or represented at a meeting or adjourned meeting of holders of Series 4 Preferred Shares duly called for such purpose and at which a quorum is present.

3.2(C).10. Authorized Capital

3.2(C).10.1. Any Series 4 Preferred Shares which are redeemed or purchased in accordance herewith shall be cancelled and any Series 4 Preferred Shares converted in accordance herewith shall not be reissued by the Corporation.

3.2(C).11. Voting Rights

3.2(C).11.1. Unless otherwise provided by law, holders of Series 4 Preferred Shares shall not be entitled to vote at meetings of shareholders of the Corporation, nor shall they be entitled to receive notices of such meetings or to attend same, except as provided for in the following paragraph.

3.2(C).11.2. If the Corporation fails to pay in full eight (8) quarterly dividends on the Series 4 Preferred Shares, whether or not consecutive, holders of Series 4 Preferred Shares shall be entitled to receive notice of every meeting of shareholders of the Corporation (other than a separate meeting of the holders of another class or series of shares) which is held more than 60 days after the date on which the failure first occurs and they shall be entitled to vote thereat, together with the holders of Restricted Shares and the holders of shares of any other class or series of shares entitled to vote thereat, on the basis of one (1) vote per Series 4 Preferred Share held, such rights to exist until all arrears of dividends on the Series 4 Preferred Shares
shall have been paid, at which time the said rights shall terminate and shall be revived only if the Corporation is once again in default pursuant to the provisions of this paragraph 3.2(C).11.2.

3.2(C).11.3. Each Series 4 Preferred Share shall confer one (1) vote upon its holder in connection with any action to be taken by the Corporation which requires the approval of holders of Series 4 Preferred Shares voting as a series.

3.2(C).12. Issuance of Additional Preferred Shares

3.2(C).12.1. The Corporation shall be entitled to issue additional series of preferred shares ranking on a parity with the Series 4 Preferred Shares or ranking junior to the Series 4 Preferred Shares without the approval of holders of Series 4 Preferred Shares.

3.2(C).13. Amendments

3.2(C).13.1. The provisions attaching to the Series 4 Preferred Shares as a series may be repealed or amended from time to time, provided the approvals then required by the *Canada Business Corporations Act* or any successor legislation, as amended from time to time, have been given in accordance with section 3.2(C).11 and with section 3.2(C).14.

3.2(C).14. Approval of Holders of Series 4 Preferred Shares

3.2(C).14.1. Every approval of holders of Series 4 Preferred Shares shall be deemed to have been given validly for all purposes if it is given by holders of Series 4 Preferred Shares in accordance with the provisions attaching to preferred shares, as a class, as same is applicable hereto, *mutatis mutandis*.

3.2(C).15. Tax Election

3.2(C).15.1. The Corporation shall make a tax election, in the manner and within the deadline prescribed by the *Income Tax Act* (Canada), pursuant to subsection 191.2(1) of Part VI.1 of the said Act (or any other successor or replacing provision of similar scope), and it shall take all necessary measures in accordance with the said Act in order to pay or see to the payment of the tax payable pursuant to Part VI.1 of the said Act (or any other successor or replacing provision of similar scope) at a rate such that no holder of Series 4 Preferred Shares that is a corporation shall be required, pursuant to section 187.2 of Part IV.1 of the
said Act (or any other successor or replacing provision of similar scope), to pay tax on the dividends received in respect of the Series 4 Preferred Shares.

3.3. **Class A Shares (Multiple Voting) and Class B Shares (Subordinate Voting)**

The following rights, privileges, conditions and restrictions shall attach to the Class A shares (multiple voting) and to the Class B shares (subordinate voting):

3.3.1. **Dividends**

With respect to any dividend which may be declared, paid or set aside for payment in any financial year in respect of the Restricted Shares, the holders of Class B shares (subordinate voting) are entitled, in priority to the holders of Class A shares (multiple voting), to non-cumulative dividends at the rate of $0.0015625 per share per annum; when dividends at said rate of $0.0015625 per share per annum have been declared and paid or set aside for payment in any financial year in respect of the Class B shares (subordinate voting), the Class A shares (multiple voting) and the Class B shares (subordinate voting) shall share equally, share for share, with respect to any additional dividends which may be declared, paid or set aside for payment in such financial year in respect of the Restricted Shares; all obligations of the Corporation in respect of undeclared dividends on the Restricted Shares with respect to any financial year of the Corporation shall be automatically extinguished by the mere fact of the expiry of such financial year.

In the event of a subdivision of the Class A shares (multiple voting) and of the Class B shares (subordinate voting), the rate of the prior dividend per share per annum carried by the Class B shares (subordinate voting) shall be automatically changed in the same proportion as that of the subdivision and shall be read accordingly in this section 3.3.1.

3.3.2. **Subdivision or Consolidation**

Neither the Class A shares (multiple voting) nor the Class B shares (subordinate voting) shall be subdivided or consolidated unless at the same time the Class B shares (subordinate voting) or the Class A shares (multiple voting), as the case may be, are subdivided or consolidated in the same manner and, in such event, the rights, privileges, conditions and restrictions then attaching to the Class A shares (multiple voting) and to the Class B shares (subordinate voting) shall also attach to the Class A shares (multiple voting) and to the Class B shares (subordinate voting) as subdivided or consolidated.
3.3.3. Liquidation

In the event of the liquidation or winding-up of the corporation or of any other distribution of its assets among its shareholders for the purpose of winding up its affairs, all of the assets of the Corporation available for payment or distribution to the holders of Restricted Shares shall be paid or distributed equally, share for share, to the holders of Class A shares (multiple voting) and to the holders of Class B shares (subordinate voting).

3.3.4. Conversion

3.3.4.1. Subject as provided in section 3.3.4.7., if an Offer is made, each Class B share (subordinate voting) shall become convertible from the Conversion Date, at the option of its holder, into one Class A share (multiple voting).

3.3.4.2. If the conversion right provided for in section 3.3.4.1. comes into effect, the Corporation, promptly after the Conversion Date, shall forward to the transfer agent for the Class B shares (subordinate voting) and the holders of the Class B shares (subordinate voting) and the holders (whose address appears on the records of the Corporation) of all other securities of the Corporation which are convertible into or which carry the right to purchase Class B shares (subordinate voting), notice of the Offer (including a copy of the Offer and of all other material forwarded to holders of Class A shares (multiple voting) in respect of the Offer) and of the fact that each Class B share (subordinate voting) has become convertible into one Class A share (multiple voting).

3.3.4.3. The conversion right of the Class B shares (subordinate voting) shall be exercisable by written notice sent to the Corporation at its registered office or to the transfer agent for the Class B shares (subordinate voting) at any office of the transfer agent where the transfer of Class B shares (subordinate voting) may be effected, and such notice shall be accompanied by the certificate or certificates representing the Class B shares (subordinate voting) which the holder wishes to convert into Class A shares (multiple voting); such notice shall be signed by the holder or his representative and shall specify the number of Class B shares (subordinate voting) which the holder so wishes to convert into Class A shares (multiple voting); if part only of the Class B shares (subordinate voting) represented by the certificate or certificates accompanying the notice are to be converted, the holder shall have the right to receive, at the expense of the Corporation, a new certificate representing the Class B shares (subordinate voting) included in the certificate or certificates sent as aforementioned and which are not to be converted.
3.3.4.4. On any conversion of Class B shares (subordinate voting), the share certificate or certificates representing the Class A shares (multiple voting) resulting therefrom shall be issued in the name of the holder of the Class B shares (subordinate voting) converted or in such name or names as such holder may direct in writing (either in the notice referred to in section 3.3.4.3. or otherwise) provided that such holder shall pay any applicable security transfer taxes.

3.3.4.5. The right of a holder of Class B shares (subordinate voting) to convert the same into Class A shares (multiple voting) shall be deemed to have been exercised, and the holder of Class B shares (subordinate voting) to be converted (or any person or persons in whose name or names such holder of Class B shares (subordinate voting) shall have directed a certificate or certificates representing Class A shares (multiple voting) to be issued as provided in section 3.3.4.4.) shall be deemed to have become a holder of Class A shares (multiple voting) of the Corporation for all purposes, on the date or dates of surrender of the certificate or certificates representing the Class B shares (subordinate voting) to be converted accompanied by notice in writing as referred to in section 3.3.4.3., notwithstanding any delay in the delivery of the certificate or certificates representing the Class A shares (multiple voting) into which such Class B shares (subordinate voting) have been converted.

3.3.4.6. The Class B shares (subordinate voting) converted into Class A shares (multiple voting) shall become issued Class A shares (multiple voting).

3.3.4.7. The conversion right provided for in section 3.3.4.1. shall not come into effect in the event that

3.3.4.7.1. there is a Majority Holder at the Offer Date,

3.3.4.7.2. the Majority Holder or an Affiliate of the Majority Holder is not making the Offer,

3.3.4.7.3. the Majority Holder determines within five (5) days after the Offer Date that it will not accept the Offer, and

3.3.4.7.4. the Majority Holder delivers to the transfer agent for the Class B shares (subordinate voting) within five (5) days after the Offer Date a certificate of the Majority Holder to the effect that the Majority Holder is the Majority Holder, that the Majority Holder or an Affiliate of the Majority Holder is not making the Offer and that the Majority Holder has determined not to accept the Offer in respect of any of its Class A shares (multiple voting);
promptly thereafter, the Corporation shall forward to the holders of Class B shares (subordinate voting) and the holders (whose address appears on the records of the Corporation) of all other securities of the Corporation which are convertible into or which carry the right to purchase Class B shares (subordinate voting), a notice of the determination of the Majority Holder under this section 3.3.4.7.

3.3.4.8. Notwithstanding any other provisions of this section 3.3.4., each Class B share (subordinate voting) shall become convertible at the option of its holder and in the manner provided in sections 3.3.4.3., 3.3.4.4. and 3.3.4.5., into one Class A share (multiple voting) if and from the date the Majority Holder ceases to be the Majority Holder; promptly after such date, the former Majority Holder shall deliver to the transfer agent for the Class B shares (subordinate voting) a certificate of the former Majority Holder to the effect that the former Majority Holder is no longer the Majority Holder; promptly thereafter, the Corporation shall forward to the holders of Class B shares (subordinate voting) and the holders (whose address appears on the records of the Corporation) of all other securities of the Corporation which are convertible into or which carry the right to purchase Class B shares (subordinate voting), a notice of the fact that there is no longer a Majority Holder and that each Class B share (subordinate voting) is convertible, at the option of its holder, into one Class A share (multiple voting).

3.3.4.9. In this section 3.3.4.

3.3.4.9.1. “Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; for the purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management and affairs of such Person, directly or indirectly, whether through ownership of Voting Securities, by contract or otherwise; the terms “controlling” and “controlled” have meanings correlative to the foregoing;

3.3.4.9.2. “Conversion Date” means the sixth (6th) day after an Offer Date;

3.3.4.9.3. “Majority Holder” means any one or more of the following individuals, namely, Janine Bombardier, Claire Bombardier, Huguette Bombardier and André Bombardier and their respective issue, born and to be born, so long as at all times after November 28, 1980 more than 50% of the Class A shares (multiple voting) of the Corporation for the time being outstanding are owned, directly or indirectly in any manner whatsoever, including, without limiting the
generality of the foregoing, whether through interposed corporations or trusts or otherwise, by any of such individuals and, for greater certainty, any Class A share (multiple voting) held in a trust is deemed to be owned by its beneficiary under such trust; any document, instrument or certificate which must be executed by the Majority Holder for the purposes of this section 3.3.4. shall be properly executed if executed by any two of such individuals;

3.3.4.9.4. “Offer” means an offer to acquire Class A shares (multiple voting) which is made or which must, by reason of then applicable securities legislation or the by-laws, regulations or policies of a stock exchange on which the Class A shares (multiple voting) are listed, be made to all holders of Class A shares (multiple voting) whose last address on the records of the Corporation is in Quebec or in Ontario;

3.3.4.9.5. “Offer Date” means the date an Offer is made;

3.3.4.9.6. “Person” means any individual, corporation, partnership, association, trust or unincorporated organization;

3.3.4.9.7. “Voting Security” means any security, other than a debt security, carrying full voting rights either under all circumstances or under some circumstances that have occurred and are continuing.

3.3.4.10. Each Class A share (multiple voting) issued and outstanding may, at any time, at the option of the holder, be converted into one Class B share (subordinate voting); such right of conversion shall be exercised in the manner provided for in sections 3.3.4.3., 3.3.4.4. and 3.3.4.5., mutatis mutandis, and the Class A shares (multiple voting) converted into Class B shares (subordinate voting) shall become issued Class B shares (subordinate voting).

3.3.4.11. Upon the conversion of Class A shares (multiple voting) into Class B shares (subordinate voting) and vice versa,

3.3.4.11.1. the number of shares outstanding of the class of shares tendered for conversion shall be thereby reduced by the number of shares so tendered for conversion, and the number of shares outstanding of the other class shall be thereby increased by the number of shares issued at the time of conversion; and

3.3.4.11.2. the number of authorized shares of each class shall remain the same and, for this purpose, the number of shares unissued (and available for issue) of the class of shares tendered for conversion shall be increased by the number of shares tendered for conversion, and the number of unissued shares of the other class shall be reduced by the
number of shares issued at the time of such conversion, but no conversion of itself shall have the effect of reducing or increasing the authorized number of Class A shares (multiple voting) or Class B shares (subordinate voting) of the Corporation.

3.3.4.12. 3.3.4.12. The Corporation shall not issue any Class A shares (multiple voting) or any Class B shares (subordinate voting) if, after such issue, the number of Class A shares (multiple voting) or Class B shares (subordinate voting), as the case may be, authorized but unissued, shall be insufficient to permit the exercise of the conversion rights provided for in sections 3.3.4.1, 3.3.4.8. and 3.3.4.10. in the event that all of the outstanding shares of the other class were to be converted into Class A shares (multiple voting) or Class B shares (subordinate voting), as the case may be, pursuant to the provisions of the said sections 3.3.4.1., 3.3.4.8. and 3.3.4.10. respectively.

3.3.5. Voting

The holders of Class A shares (multiple voting) and the holders of Class B shares (subordinate voting) shall be entitled to receive notice of any meeting of shareholders of the Corporation and to attend and vote thereat, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote; the Class A shares (multiple voting) shall carry ten (10) votes per share and the Class B shares (subordinate voting) shall carry one (1) vote per share. Provided, however, that if the Corporation proposes to (i) amalgamate with any corporation other than one or more wholly-owned subsidiaries of the Corporation, or (ii) sell, lease or transfer or otherwise dispose of its properties and assets substantially as an entirety to a corporation other than one or more wholly-owned subsidiaries of the Corporation or (iii) voluntarily liquidate, dissolve or wind up or distribute its assets among its shareholders for the purpose of winding up its affairs, the holders of Class B shares (subordinate voting), in addition to any other approval that may be required, shall be entitled to vote separately as a class upon the proposal.

The holders of Class A shares (multiple voting) and the holders of Class B shares (subordinate voting) do not have the right to vote separately as a class with respect to amendments to the Articles of the Corporation by virtue of subparagraphs (a), (b) and (e) of Section 176(1) of the Act.

3.3.6. Rank

Except as otherwise provided in this section 3.3., each Class A share (multiple voting) and each Class B share (subordinate voting) shall have the same rights, shall be equal in all respects and shall be treated by the Corporation as if they were shares of one class only.
3.3.7. Amendments

Any amendment to the Articles of the Corporation to delete or vary any of the rights, privileges, conditions or restrictions attaching to the Class A shares (multiple voting) or the Class B shares (subordinate voting), respectively, may be authorized by at least two thirds of the votes cast at a meeting of the holders of the Class A shares (multiple voting) and the Class B shares (subordinate voting), duly held for that purpose; provided, however, that if the holders of the Class A shares (multiple voting), as a class, or the holders of the Class B shares (subordinate voting), as a class, shall be affected in a manner different from the other class of shares, such amendment shall, in addition, be authorized by at least two thirds of the votes cast at a meeting of the holders of the class of shares so differently affected, which may be held concurrently with the aforesaid meeting of the holders of the Class A shares (multiple voting) and the Class B shares (subordinate voting). The formalities to be observed with respect to the giving of notice of any meeting of the holders of the Class A shares (multiple voting) and/or of the Class B shares (subordinate voting) and the conduct thereof and the quorum therefor shall, mutatis mutandis, be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of holders of voting shares.
8 – Other provisions, if any

For the purposes of the *Special Corporate Powers Act* of the Province of Quebec and without in any way limiting the powers conferred upon the Corporation and its directors by Section 189 of the *Canada Business Corporations Act*, the Corporation may, for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue, hypothecate, mortgage or pledge and cede and transfer, any property, moveable or immoveable, present or future, which it may own in the Province of Quebec.

The directors may, from time to time in accordance with the laws governing the Corporation, appoint up to two additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.