



Industry Canada

Industrie Canada

**Restated Certificate
of Incorporation**

**Canada Business
Corporations Act**

**Certificat
de constitution à jour**

**Loi canadienne sur
les sociétés par actions**

IGM FINANCIAL INC./

SOCIÉTÉ FINANCIÈRE IGM INC.

073472-1

Name of corporation-Dénomination de la société

Corporation number-Numéro de la 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.

Je certifie que les statuts constitutifs de la société susmentionnée ont été mis à jour en vertu de l'article 180 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les statuts mis à jour ci-joints.

Director - Directeur

April 30, 2004 / le 30 avril 2004

Effective Date of Restatement -
Date d'entrée en vigueur de la mise à jour

Canada



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 7
RESTATED ARTICLES OF
INCORPORATION
(SECTION 180)

FORMULAIRE 7
STATUTS CONSTITUTIFS
MIS À JOUR
(ARTICLE 180)

1-- Name of the Corporation - Dénomination sociale de la société IGM FINANCIAL INC. SOCIÉTÉ FINANCIÈRE IGM INC.	Corporation No. - N° de la société 073472-1
---	--

2-- The province or territory in Canada where the registered office is situated	La province ou le territoire au Canada où est situé le siège social
---	---

Province of Manitoba

3-- The classes and any maximum number of shares that the corporation is authorized to issue	Catégories et tout nombre maximal d'actions que la société est autorisée à émettre
--	--

The Schedule 1 annexed hereto shall be incorporated in this form.

4-- Restrictions, if any, on share transfers	Restrictions sur le transfert des actions, s'il y a lieu
--	--

No restrictions.

5-- Number (or minimum and maximum number) of directors	Nombre (ou nombre minimal et maximal) d'administrateurs
---	---

Minimum of three; maximum of 21.

6-- Restrictions, if any, on business the corporation may carry on	Limites imposées à l'activité commerciale de la société, s'il y a lieu
--	--

No restrictions.

7-- Other provisions, if any	Autres dispositions, s'il y a lieu
------------------------------	------------------------------------

The directors of the Corporation may appoint one or more directors who shall hold office for a term expiring not later than the close of the next Annual Meeting of Shareholders, but the total number of directors so appointed may not exceed one-third of the directors elected at the previous Annual Meeting of Shareholders.

These restated articles of incorporation correctly set out, without substantive change, the corresponding provisions of the articles of incorporation as amended and supersede the original articles of incorporation.

Cette mise à jour des statuts constitutifs démontre exactement, sans changement substantiel, les dispositions correspondantes des statuts constitutifs modifiés qui remplacent les statuts constitutifs originaux.

Signature

Printed Name - Nom en lettres mouluées

William F. Wright

8 - Capacity of - En qualité de

Secretary

9 - Tel. No. - N° de tél.

204-9568470

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

APR 30 2004

SCHEDULE 1

The Corporation is authorized to issue an unlimited number of common shares, an unlimited number of Class I Non-Voting shares, an unlimited number of first preferred shares issuable in series and an unlimited number of second preferred shares issuable in series.

A. COMMON AND CLASS I NON-VOTING SHARES

The rights, privileges, restrictions and conditions attaching to the common shares and the Class I Non-Voting shares shall be as follows:

- 1.1 Each common share of the Corporation shall entitle the holder thereof to one vote at any meeting of shareholders.
- 1.2 The holders of the common shares and the Class I Non-Voting shares shall not be entitled to vote separately as a class in the case of an amendment to the articles of the Corporation referred to in paragraphs 176(1)(a), 176(1)(b) and 176(1)(e) of the *Canada Business Corporations Act* (the "Act") as now existing.
- 1.3 The holders of Class I Non-Voting shares shall not be entitled to vote but shall be entitled to not less than 21 nor more than 50 days notice of and attendance, in person or by proxy at any meeting of the shareholders of the Corporation except meetings at which holders of such shares are entitled to vote separately as a class and, except for the right to vote, shall be entitled to participate in any such meeting.
- 1.4 The common shares and the Class I Non-Voting shares shall rank equally as to dividends when and as declared and all dividends thereon shall be declared and paid in equal amounts per share on all of the common shares and the Class I Non-Voting shares at the time outstanding without preference or distinction.
- 1.5 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, after payment to the holders of the first preferred shares, the holders of the second preferred shares and the holders of any other class of shares of the Corporation of the amounts which they are entitled to receive in any such event, the remaining assets of the Corporation shall be paid to or distributed equally, without preference or distinction and among the holders of the common shares and Class I Non-Voting shares.
- 1.6 In the event of common shares or Class I Non-Voting shares being at any time subdivided, consolidated, converted, exchanged or otherwise changed, appropriate adjustment shall be made in the rights and conditions attaching to the common shares and Class I Non-Voting shares respectively so as to preserve in all respects the benefits hereby conferred on the holders of each class.

B. FIRST PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the first preferred shares as a class shall be as follows:

1.1 The first preferred shares shall be issuable in series and the board of directors of the Corporation shall have the right, from time to time, to fix the number of, and to determine the designation, rights, privileges, restrictions and conditions attaching to, the first preferred shares of each series subject to the limitations, if any, set out in the articles of the Corporation.

1.2 The holders of any series of the first preferred shares shall be entitled to receive in priority to the holders of second preferred shares, common shares, Class I Non-Voting shares and of shares of any other class of the Corporation ranking subordinate to the first preferred shares, as and when declared by the board of directors of the Corporation, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such first preferred shares form part.

1.3 Upon any liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, before any amount shall be paid to or any assets distributed among the holders of second preferred shares, of common shares, Class I Non-Voting shares or of shares of any other class of the Corporation ranking subordinate to the first preferred shares, the holders of the first preferred shares shall be entitled to receive with respect to the shares of each series thereof all amounts which may be provided in the articles of the Corporation to be payable thereon in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether or not declared. After payment to the holders of the first preferred shares of the amounts provided in the articles of the Corporation to be payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

1.4 Unless the articles of the Corporation otherwise provide with respect to any series of the first preferred shares, the holders of the first preferred shares shall not be entitled to receive any notice of or attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided that at any meeting of shareholders at which, notwithstanding the foregoing, the holders of the first preferred shares are required or entitled by law to vote separately as a class, each holder of the first preferred shares of any series thereof shall be entitled to cast in respect of each such share held, that number of votes which is equal to the quotient obtained by dividing the total number of dollars which were received by the Corporation (or if issued for property the fair equivalent of the money that the Corporation would have received if the share had been issued for money) as consideration for the issue of all the outstanding shares of such series by the number of such outstanding shares, provided that in respect of any such consideration denominated in a currency other than Canadian, the board of directors of the Corporation shall, for the purpose of this paragraph 1.4, determine the appropriate conversion rate of such currency to Canadian currency in effect on the date of issue and, based on such rate, the Canadian dollar equivalent of such consideration; and provided further that when such quotient is a fraction or a whole number plus a fraction there shall be no right to vote in respect of such fraction.

1.5 The holders of the first preferred shares shall not be entitled to vote separately as a class and, unless the articles of the Corporation otherwise provide, the holders of any series of the first preferred shares shall not be entitled to vote separately as a series, in the case of an amendment to the articles of the Corporation referred to in paragraphs 176(1)(a), 176(1)(b) and 176(1)(e) of the Act as now existing.

1.6 Any meeting of shareholders at which the holders of the first preferred shares are required or entitled by law to vote separately as a class or as a series shall, unless the articles of the Corporation otherwise provide, be called and conducted in accordance with the by-laws of the Corporation; provided that no amendment to or repeal of the provisions of such by-laws made after the date of the first issue of any of the first preferred shares by the Corporation shall be applicable to the calling and conduct of meetings of holders of the first preferred shares voting separately as a class or as a series unless such amendment or repeal has been theretofore approved by an ordinary resolution adopted by the holders of the first preferred shares voting separately as a class. If a quorum is not present at any such meeting within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than 15 days later and to such time and place as may be appointed by the chair of the meeting and at least ten days' notice shall be given of such adjourned meeting, but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of first preferred shares present or represented by proxy may transact the business for which the meeting was originally convened.

B-1 FIRST SERIES OF FIRST PREFERRED SHARES

The first series of First Preferred Shares shall consist of 14,400,000 shares designated "Non-cumulative First Preferred Shares, Series A" (the "Series A Shares") and, in addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

**ARTICLE 1
DIVIDENDS**

1.1 Dividend Payment Dates and Dividend Periods

The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series A Shares shall be the last day of each of the months of March, June, September and December in each year. A "Dividend Period" means the period from and including the date of issue of the Series A Shares to but excluding June 30, 2001, being the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

1.2 Payment of Dividends

The holders of Series A Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation, out of

monies of the Corporation properly applicable to the payment of dividends, non-cumulative, preferential cash dividends (the "Quarterly Dividends") payable, with respect to each Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, the first of such dividends to be payable on June 30, 2001 and to be in an amount per share determined in accordance with section 1.3. For all subsequent Dividend Periods, dividends, subject to section 1.3, shall be in an amount per Series A Share equal to \$0.359375. If in any Dividend Period the board of directors in its discretion shall not declare the said dividends or part thereof on the Series A Shares, then the rights of the holders thereof to such dividends or to any greater dividend than the dividend actually declared for such Dividend Period shall be forever extinguished.

1.3 Dividend for Other than a Full Dividend Period

The holders of Series A Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors out of monies of the Corporation properly applicable to the payment of dividends, non-cumulative, preferential cash dividends for any period which is more or less than a full Dividend Period as follows:

- (a) an initial dividend in respect of the period from and including the date of the initial issue of the Series A Shares to but excluding June 30, 2001 (the "Initial Dividend Period") equal to the amount obtained (rounded to five decimal places) when \$1.4375 is multiplied by a fraction, the numerator of which is the number of days in the Initial Dividend Period and the denominator of which is 365; and
- (b) a dividend in an amount per share with respect to any Series A Share which is redeemed or converted during any Dividend Period, equal to the amount obtained (rounded to five decimal places) when \$1.4375 is multiplied by a fraction, the numerator of which is the number of days in such Dividend Period that such share has been outstanding (excluding the date of redemption or conversion) and the denominator of which is the number of days in the year in which such Dividend Period falls.

1.4 Payment Procedure

The Corporation shall pay the dividends on the Series A Shares on the relevant Dividend Payment Date (less any tax required to be deducted or withheld by the Corporation) by one or more cheques drawn on a Canadian chartered bank or trust company and payable in lawful monies of Canada at any branch of such bank or trust company in Canada or by any other reasonable means that the Corporation determines that allows for receipt of dividends not later than if paid by cheque. The delivery or mailing of any such cheque or the payment by other reasonable means to a holder of Series A Shares shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise

remains unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

ARTICLE 2

REDEMPTION, CONVERSION AND PURCHASE

2.1 General

- (a) Subject to Article 4 and to the extent permitted by applicable law, the Series A Shares may be redeemed, converted or purchased by the Corporation as provided in Articles 2 and 3 but not otherwise.
- (b) For the purposes hereof, the "Common Shares" shall mean the common shares of the Corporation as constituted from time to time and any shares resulting from a reclassification of the common shares of the Corporation or which result from a capital reorganization of the Corporation or a consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a capital reorganization, consolidation, amalgamation or merger which does not result in any reclassification of the common shares or a change of the common shares into other shares or securities).

2.2 Corporation's Redemption and Conversion Rights

- (a) The Series A Shares shall not be redeemable prior to June 30, 2009. The Corporation may, upon giving notice as hereinafter provided, redeem on or after June 30, 2009 at any time the whole or from time to time any part of the then outstanding Series A Shares, by the payment of an amount in cash for each Series A Share so redeemed equal to:
 - (i) \$26.00 if the Series A Shares are redeemed on or after June 30, 2009 and prior to June 30, 2010;
 - (ii) \$25.67 if the Series A Shares are redeemed on or after June 30, 2010 and prior to June 30, 2011;
 - (iii) \$25.33 if the Series A Shares are redeemed on or after June 30, 2011 and prior to June 30, 2012; and
 - (iv) \$25.00 if the Series A Shares are redeemed on or after June 30, 2012;

plus in each case an amount equal to all dividends thereon which have been declared and not paid in respect of a Dividend Payment Date prior to the Redemption Date or the Conversion Date, as the case may be (the "Redemption Price").

- (b) The Series A Shares shall not be convertible at the option of the Corporation prior to June 30, 2009. Subject to the approval of stock exchanges upon which Common Shares are listed, and compliance with all other applicable regulatory requirements or the receipt of any other required regulatory relief, the Corporation may, by giving notice as hereinafter provided, on or after June 30, 2009 convert the whole or from time to time any part of the then outstanding Series A Shares into freely tradeable (in all provinces and territories of Canada) Common Shares on the basis that the Series A Shares of each holder called for conversion by the Corporation will be converted into (subject to the exception as to fractions contained in section 2.5) that number (the "Common Share Conversion Number") of Common Shares as is equal to the product of:
- (i) the number obtained when
- (A) the then applicable Redemption Price,
- is divided by
- (B) the greater of (A) \$2.00 and (B) 95% of the weighted average trading price per Common Share (such weighted average trading price, the "Weighted Price") of all Common Shares traded on The Toronto Stock Exchange or any successor exchange or successor trading system (the "TSX") or for the 20 trading days ending on the fourth day immediately prior to the date specified for conversion or, if such fourth day is not a trading day on the TSX, then the last trading day ending immediately prior to such fourth day,
- with the result of that calculation being rounded upward to the nearest 1/100 of a Common Share; and
- (ii) the number of Series A Shares of such holder being converted.
- (c) If less than all of the outstanding Series A Shares are to be redeemed or converted, the shares to be redeemed or converted shall be selected pro rata (disregarding fractions) or in such other manner as the board of directors or a committee thereof in its sole discretion shall by resolution determine.

2.3 Manner of Redemption or Conversion by the Corporation

- (a) Notice of the redemption or conversion by the Corporation of Series A Shares shall be given by the Corporation not less than 30 nor more than 60 days prior to the date fixed for redemption or conversion to each holder of Series A Shares to be redeemed or converted, as the case may be. Such notice shall set out:

- (i) the date (the "Redemption Date" or the "Conversion Date", as the case may be) on which the redemption or conversion is to take place;
- (ii) unless all the Series A Shares held by the holder to whom it is addressed are to be redeemed or converted, the number of Series A Shares so held which are to be redeemed or converted;
- (iii) whether the Corporation shall redeem or convert such Series A Shares;
- (iv) the Redemption Price or the method of determining the Common Share Conversion Number, as the case may be; and
- (v) where the Series A Shares are to be converted into Common Shares, the advice that such Common Shares will be registered in the name of the registered holder of the Series A Shares to be converted unless The Canadian Depository for Securities Limited ("CDS") receives from such holder, on or before the tenth day prior to the Conversion Date, at the principal office of CDS in the City of Toronto written notice in a form and executed in a manner satisfactory to CDS directing the Corporation to register such Common Shares in some other name or names (the "Transferee") and stating the name or names (with addresses) accompanied by payment to CDS of any transfer tax that may be payable by reason thereof and a written declaration of such matters as may be required by law in order to determine the entitlement of such Transferee to hold such Common Shares.

The Corporation shall issue and deliver to one or more Canadian business news services a press release within 24 hours of the end of the 20 trading day period for calculation of the Weighted Price announcing the Common Share Conversion Number.

- (b) In the case of a redemption, on and after the Redemption Date the Corporation shall pay or cause to be paid to the holders of the Series A Shares so called for redemption the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation) on presentation and delivery at the head office of the Corporation in Winnipeg, the principal office of CDS in the City of Toronto or such other place or places in Canada designated in the notice referred to in subsection 2.3(a), of the certificate or certificates representing the Series A Shares so called for redemption. Such payment shall be made by cheque or by such other reasonable means as the Corporation determines which allows receipt of payment not later than if paid by cheque and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series A Shares so called for redemption unless the cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series A Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series A Shares in respect

of such shares except the right to receive therefor the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired.

- (c) In the case of a redemption, the Corporation shall have the right at any time after mailing a notice of redemption to deposit the aggregate Redemption Price of the Series A Shares thereby called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company for the holders of such shares, and upon such deposit being made or upon the date fixed for redemption, whichever is the later, the Series A Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof shall be limited to receiving, without interest, such holder's proportionate part of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Series A Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Redemption monies which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.
- (d) In the case of a conversion by the Corporation of Series A Shares into Common Shares, on and after the Conversion Date the Corporation shall deliver to each holder of Series A Shares so called for conversion the holder's Common Share Conversion Number of Common Shares (less that number of Common Shares having a value equal to the amount of any tax required to be deducted and withheld by the Corporation) on presentation and delivery by the holder at the head office of the Corporation in Winnipeg, the principal office of CDS in the City of Toronto or such other place or places in Canada designated in the notice referred to in subsection 2.3(a), of the certificate or certificates representing the Series A Shares so called for conversion. The Corporation shall deliver or cause to be delivered certificates representing such Common Shares registered in the name of the holders of Series A Shares to be converted, or as such holders shall have directed as aforesaid. Series A Shares so converted shall be converted effective on the Conversion Date. From and after the Conversion Date, the holders of Series A Shares so converted who have not presented and delivered the certificate or certificates representing such shares as herein required shall cease to be entitled to dividends on such Series A Shares or to exercise any of the rights of holders of Series A Shares in respect of such shares except the right to receive therefor the Common Share Conversion Number of Common Shares and any payment with respect to a fraction of a Series A Share.
- (e) If less than all the Series A Shares represented by any certificate shall be redeemed or converted, a new certificate for the balance shall be issued without cost to the holder.

- (f) The Corporation shall not exercise its right to convert any Series A Shares into Common Shares if on the date for giving notice or on the Conversion Date the Common Shares are not listed on the TSX. The Corporation shall use its best efforts to ensure that so long as any Series A Shares are outstanding, the Common Shares shall continue to be listed on the TSX.
- (g) If a dividend is declared on the Series A Shares by the board of directors of the Corporation with a Dividend Payment Date after the Conversion Date in respect of any Dividend Period in which the Series A Shares are converted into Common Shares, at the option of the Corporation notwithstanding the provisions of section 1.4, no cheque shall be issued in payment of such dividend and the holder of the Series A Shares so called for conversion shall be deemed to have subscribed for such number of Common Shares as is equal to the number obtained when the amount of the declared and unpaid dividend on the Series A Shares to be so converted (less any tax required to be deducted and withheld by the Corporation) is divided by the greater of (i) \$2.00 and (ii) 95% of the Weighted Price, with the result of that calculation being rounded upward to the nearest 1/100 of a Common Share; such number of Common Shares to be issued to such holder as part of, and not in addition to, the number of Common Shares issued to such holder as determined pursuant to the provisions of section 2.2(b).
- (c) The Corporation shall not be required to convert any Series A Shares into Common Shares with respect to any person whose address is in, or whom the Corporation has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require compliance by the Corporation with the securities, corporate or analogous laws of such jurisdiction.

2.4 Purchase

Subject to Article 4 and to the extent permitted by applicable law, the Corporation may purchase at any time all or from time to time any number of the outstanding Series A Shares in the open market (including purchases through or from an investment dealer or firm holding membership on a stock exchange) or pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of the Series A Shares, at the lowest price or prices at which such shares are obtainable. If upon any invitation for tenders the Corporation receives tenders for Series A Shares at the same price in an aggregate number greater than the number for which the Corporation is prepared to accept tenders, the shares to be purchased shall be selected from the shares offered at such price as nearly as may be pro rata (to the nearest 10 shares) according to the number of Series A Shares offered in each such tender, or in such manner as the board of directors or a committee thereof in its sole discretion shall by resolution determine. If part only of the Series A Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued without cost to the holder.

2.5 Avoidance of Fractional Shares

In any case where a fraction of a Common Share would otherwise be issuable on conversion of one or more Series A Shares, the Corporation shall adjust such fractional interest by payment by cheque or such other means which allows receipt of payment not later than if paid by cheque in an amount equal to the then market price of such fractional interest computed on the basis of the Weighted Price determined in respect of the relevant Conversion Date.

**ARTICLE 3
HOLDER'S CONVERSION RIGHT**

3.1 Conversion Right

Subject to the option of the Corporation in section 3.3, each Series A Share shall, on and after June 30, 2013, at the option of the holder, be convertible on the last day of March, June, September and December in each year (a "permitted conversion date") into (subject to the exception as to fractions contained in section 3.4) that number of fully paid, non-assessable and freely tradeable (in all provinces and territories of Canada) Common Shares as is equal to the number obtained when \$25.00 together with all declared and unpaid dividends up to but excluding the date fixed for conversion is divided by the greater of \$2.00 and 95% of the Weighted Price (less that number of Common Shares having a value equal to the amount of any tax required to be deducted and withheld by the Corporation) with the result of such calculation being rounded up to the nearest 1/100 of a Common Share.

Not less than 60 nor more than 120 days prior to June 30, 2013, the Corporation shall give to the registered holders of the Series A Shares notice of the conversion right containing instructions to such holders as to the method by which such conversion right may be exercised, as set out in section 3.2.

3.2 Manner of Conversion

- (a) Series A Shares may be converted by the holder of such shares tendering to the Corporation not less than 30 days prior to the date (which must be a permitted conversion date) fixed for conversion by such holder the certificate or certificates for the Series A Shares to be converted with the notice of conversion (the "Conversion Notice") duly completed. Subject to section 3.3, such Conversion Notice shall be irrevocable and shall set out:
 - (i) the date (the "Holder Conversion Date") on which the conversion is to take place;
 - (ii) unless all the Series A Shares held by the holder by whom such notice is given are to be converted, the number of Series A Shares so held which are to be converted; and

- (iii) an acknowledgement that the Common Shares into which the Series A Shares are to be converted are to be registered in the name of the registered holder of the Series A Shares to be converted unless such holder, on or before the tenth day prior to the Holder Conversion Date provides to CDS at the principal office in the City of Toronto a written notice in a form and executed in a manner satisfactory to CDS directing the Corporation to register such Common Shares in the name of a Transferee or Transferees and stating the name or names (with addresses) of such Transferee or Transferees accompanied by payment to CDS of any transfer tax that may be payable by reason thereof and a written declaration of such matters as may be required by law in order to determine the entitlement of any such Transferee to hold such Common Shares.
- (b) Subject to section 3.3, the Corporation shall, on presentation and delivery at the head office of the Corporation in the City of Winnipeg, the principal office of CDS in the City of Toronto or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series A Shares so surrendered for conversion, deliver or cause to be delivered certificates representing the number of whole Common Shares into which such Series A Shares are to be converted (less that number of Common Shares having a value equal to the amount of tax required to be deducted or withheld by the Corporation), registered in the name of the holder of the Series A Shares to be converted, or as such holder shall have directed as aforesaid, as the case may be, on the Holder Conversion Date. The Series A Shares so converted shall be converted, and the holder thereof shall become a holder of Common Shares of record, effective on the Holder Conversion Date.
- (c) If less than all the Series A Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued without cost to the holder.
- (d) If a dividend is declared on the Series A Shares by the board of directors of the Corporation with a Dividend Payment Date after the Conversion Date in respect of any Dividend Period in which the Series A Shares are converted into Common Shares, notwithstanding the provisions of section 1.4, no cheque shall be issued in payment of such dividend and the holder of the Series A Shares so called for conversion shall be deemed to have subscribed for such number of Common Shares as is equal to the number obtained when the amount of the declared and unpaid dividend on the Series A Shares to be so converted (less any tax required to be deducted and withheld by the Corporation) is divided by the greater of (i) \$2.00 and (ii) 95% of the Weighted Price, with the result of that calculation being rounded upward to the nearest 1/100 of a Common Share; such number of Common Shares to be issued to such holder as part of, and not in addition to, the

number of Common Shares issued to such holder as determined pursuant to the provisions of section 3.1.

- (d) The Corporation shall not be required to convert any Series A Shares into Common Shares upon the request of any person whose address is in, or whom the Corporation has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require compliance by the Corporation with the securities, corporate or analogous laws of such jurisdiction.

3.3 Option of the Corporation

Prior to any Holder Conversion Date, the Corporation may, by notice given not less than two days before such Holder Conversion Date to all holders who have given a Conversion Notice:

- (a) redeem on the Holder Conversion Date all but not less than all of the Series A Shares forming the subject matter of the applicable Conversion Notice at the Redemption Price provided for in Article 2, in which event such redemption shall be effected on the Holder Conversion Date by mailing a cheque of the Corporation or of CDS, or by payment by some other means which allows receipt of payment not later than if paid by cheque, in an amount equal to the Redemption Price to the holder of the Series A Shares entitled thereto (less any tax required to be deducted and withheld by the Corporation); or
- (b) request such holders to sell on the Holder Conversion Date such Series A Shares to another purchaser or purchasers in the event that a purchaser or purchasers willing to purchase all but not less than all of such Series A Shares at a price equal to the Redemption Price is or are found by the Corporation and such holders shall sell such Series A Shares at a price equal to the Redemption Price to such purchaser or purchasers ("Substitute Purchasers"), in which event the provisions of section 3.5 shall apply.

The provisions of subsection 2.3(e) shall apply, *mutatis mutandis*, in the event of a redemption or purchase of less than all of the Series A Shares represented by a particular share certificate. The Series A Shares so purchased or redeemed shall not be converted on the Holder Conversion Date. In the event that for any reason the redemption or purchase provided for in this section is not effected in respect of a Series A Share or Shares on the Holder Conversion Date, the option of the Corporation in respect of such Series A Share or Shares shall lapse and such Series A Share or Shares shall be deemed to have been converted on the Holder Conversion Date.

3.4 Avoidance of Fractional Shares

In any case where a fraction of a Common Share would otherwise be issuable on conversion of one or more Series A Shares under this Article 3, the Corporation shall adjust such fractional interest by payment by cheque or such other means which allows receipt of payment not later than if paid by cheque in an amount equal to the then market price of such fractional

interest computed on the basis of the Weighted Price determined in respect of the relevant Holder Conversion Date.

3.5 Manner of Purchase By a Substitute Purchaser

The Corporation shall receive and hold on behalf of the Substitute Purchaser the purchase price to be paid to the holder of a Series A Share to be acquired by such Substitute Purchaser determined in accordance with the provisions of section 3.3. On the date on which the sale of such Series A Shares to a Substitute Purchaser is to be effected, the Corporation shall, on presentation and delivery at the head office of the Corporation in the City of Winnipeg, the principal office of CDS in the City of Toronto or at such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series A Shares to be sold to the Substitute Purchaser, pay or cause to be paid to the holder of such Series A Shares the purchase price for such shares received from the Substitute Purchaser on behalf of the Substitute Purchaser acquiring such shares (less any tax required to be deducted and withheld by the Corporation). Such payment shall be made by cheque delivered to the holder of the Series A Shares if the certificate or certificates representing the same is or are delivered to the Corporation and otherwise shall be mailed to such holder in accordance with Article 7 if such certificate or certificates are sent to the Corporation by mail, or paid by some other means which allows receipt of payment not later than if paid by cheque, and shall be a full and complete payment of the purchase price for the Series A Shares to be sold by such holder to such Substitute Purchaser unless the cheque is not honoured when presented for payment. From and after the date on which the cheque is delivered or mailed in payment for such Series A Shares, the Substitute Purchaser shall be treated by the Corporation as the registered holder of the Series A Shares which have been sold to such Substitute Purchaser in accordance with the provisions of this Article 3.

3.6 Continuance of Conversion Right

If the Corporation exercises its right pursuant to section 3.3(b) to require Series A Shares tendered for conversion to be sold by the holder thereof to a Substitute Purchaser, such Series A Shares shall continue to be convertible into Common Shares pursuant to section 3.1 after having been sold to a Substitute Purchaser notwithstanding their having been tendered for conversion by the previous holder thereof.

3.7 Entitlement of Substitute Purchasers to Declared and Unpaid Dividends

If Series A Shares are sold or deemed to have been sold to a Substitute Purchaser for a purchase price which includes the amount of any declared and unpaid dividends on such Series A Shares in accordance with section 3.3, such Substitute Purchaser shall be treated by the Corporation as the holder of record of such Series A Shares for the purpose of the payment of such previously declared and unpaid dividends from and after the date of the sale of such Series A Shares to such Substitute Purchaser and the entitlement of the previous holder of such Series A Shares who was required to sell such Series A Shares to such Substitute Purchaser to such dividends shall be forever extinguished.

ARTICLE 4 RESTRICTIONS ON DIVIDENDS AND RETIREMENT OF SHARES

So long as any of the Series A Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Series A Shares given in the manner hereinafter specified:

- (a) declare or pay or set apart for payment any dividends on the Second Preferred Shares, on the Common Shares or on shares of any other class of the Corporation ranking junior to the Series A Shares (other than stock dividends in shares of the Corporation ranking junior to the Series A Shares);
- (b) except out of the net cash proceeds of an issue of shares ranking junior to the Series A Shares, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of the Second Preferred Shares, Common Shares or shares of any other class of the Corporation ranking junior to the Series A Shares;
- (c) redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of less than all of the Series A Shares;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares of any other class or series of the Corporation ranking *pari passu* with the Series A Shares; or
- (e) except out of the net cash proceeds of an issue of shares ranking junior to the Series A Shares, or except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares of any other class or series of the Corporation ranking prior to the Series A Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption, purchase or reduction or retirement of capital, as the case may be, all cumulative dividends then accrued and unpaid up to and including the most recent applicable dividend payment date for the last completed period for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares, if any, then issued and outstanding and on all other cumulative shares, if any, ranking *pari passu* with the First Preferred Shares and the dividends for the immediately preceding dividend payment period in respect of each series of non-cumulative First Preferred Shares (including the Series A Shares) then issued and outstanding and on all other shares ranking prior to or *pari passu* with the Series A Shares shall have been declared and paid or monies set aside for payment thereof.

ARTICLE 5 ISSUE PRICE

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

ARTICLE 6 ELECTION UNDER THE *INCOME TAX ACT*

The Corporation shall elect under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay tax under section 191.1 of such Act, or any successor or replacement provision of similar effect, at a rate such that no holder of the Series A Shares will be required to pay tax on dividends received on the Series A Shares under section 187.2 of such Act or any successor or replacement provision of similar effect. Such election shall be made in the manner prescribed by such Act and shall be filed within the time provided under paragraph 191.2(1)(a) of such Act.

ARTICLE 7 NOTICE AND INTERPRETATION

7.1 Notices

- (a) Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series A Shares at their respective addresses appearing on the books of the Corporation or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series A Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.
- (b) If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series A Shares pursuant to paragraph (a) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

7.2 Interpretation

- (a) If any day on which any dividend on the Series A Shares is payable on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day. A “business day” means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office.
- (b) All references herein to a holder of Series A Shares shall be interpreted as referring to a registered holder of the Series A Shares.

**ARTICLE 8
MODIFICATION**

The provisions attaching to the Series A Shares may be deleted, varied, modified, amended or amplified with the prior approval of the holders of Series A Shares given in accordance with Article 9 and with all required approvals of any stock exchanges on which the Series A Shares are listed.

**ARTICLE 9
APPROVAL OF SERIES A SHAREHOLDERS**

Any approval required or permitted to be given by the holders of the Series A Shares with respect to any and all matters referred to herein shall be deemed to have been sufficiently given by the holders of the Series A Shares if given on at least 21 days notice mailed to the holders in accordance with Article 7 and given by a resolution carried by an affirmative vote of not less than two-thirds of the votes cast at such meeting at which the holders of a majority of outstanding Series A Shares are present in person or represented by proxy. If at any such meeting the holders of a majority of the outstanding Series A Shares are not present in person or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days’ written notice shall be given of such adjourned meeting. At such adjourned meeting, the holders of Series A Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast at such meeting shall constitute the approval of the holders of the Series A Shares.

**ARTICLE 10
VOTING RIGHTS**

The holders of the Series A Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Corporation unless and until the Corporation shall have failed to declare and pay eight Quarterly Dividends, whether or not consecutive, on the Series A Shares. In that event, until such time as the Corporation pays the

whole amount of a Quarterly Dividend on the Series A Shares, the holders of such shares will be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and will be entitled to one vote per Series A Share. The voting rights of the holders of the Series A Shares shall forthwith cease upon payment by the Corporation of the whole amount of a Quarterly Dividend on the Series A Shares subsequent to the time such voting rights first arose.

ARTICLE 11 RIGHTS ON LIQUIDATION

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Series A Shares shall be entitled to receive an amount equal to \$25.00 per Series A Share, together with all dividends declared and unpaid to and including the date of payment (less any tax required to be deducted or withheld by the Corporation) before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares, Second Preferred Shares or shares of any other class of the Corporation ranking junior to the Series A Shares. Upon payment to the holders of the Series A Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

C. SECOND PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the second preferred shares as a class shall be as follows:

1.1 The second preferred shares shall be subject and subordinate to the rights, privileges, restrictions and conditions attaching to the first preferred shares.

1.2 The second preferred shares shall be issuable in series and the board of directors of the Corporation shall have the right, from time to time, to fix the number of, and to determine the designation, rights, privileges, restrictions and conditions attaching to, the second preferred shares of each series subject to the limitations, if any, set out in the articles of the Corporation.

1.3 The holders of any series of the second preferred shares shall be entitled to receive in priority to the holders of common shares and Class I Non-Voting shares and of shares of any other class of the Corporation ranking subordinate to the second preferred shares, as and when declared by the board of directors of the Corporation, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such second preferred shares form part.

1.4 Upon any liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, before any amount shall be paid to or any assets distributed among the holders of common shares, Class I Non-Voting shares or of shares of any other class of the Corporation ranking subordinate to the second preferred shares, the holders of the second preferred shares shall be entitled to receive with respect to the shares of each series thereof all amounts which

may be provided in the articles of the Corporation to be payable thereon in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether or not declared. After payment to the holders of the second preferred shares of the amounts provided in the articles of the Corporation to be payable to them, they shall not be entitled to share in any further distribution of the assets of the new Corporation.

1.5 Unless the articles of the Corporation otherwise provide with respect to any series of the second preferred shares, the holders of the second preferred shares shall not be entitled to receive any notice of or attend any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting; provided that at any meeting of shareholders at which, notwithstanding the foregoing, the holders of the second preferred shares are required or entitled by law to vote separately as a class, each holder of the second preferred shares of any series thereof shall be entitled to cast in respect of each such share held, that number of votes which is equal to the quotient obtained by dividing the total number of dollars which were received by the Corporation (or if issued for property the fair equivalent of the money that the Corporation would have received if the shares had been issued for money) as consideration for the issue of all the outstanding shares of such series by the number of such outstanding shares, provided that in respect of any such consideration denominated in a currency other than Canadian, the board of directors of the Corporation shall, for the purpose of this paragraph 1.5, determine the appropriate conversion rate of such currency to Canadian currency in effect on the date of issue and, based on such rate, the Canadian dollar equivalent of such consideration, and provided further that when such quotient is a fraction or a whole number plus a fraction there shall be no right to vote in respect of such fraction.

1.6 The holders of the second preferred shares shall not be entitled to vote separately as a class and, unless the articles of the Corporation otherwise provide, the holders of any series of the second preferred shares shall not be entitled to vote separately as a series, in the case of an amendment to the articles of the Corporation referred to in paragraphs 176(1)(a), 176(1)(b) and 176(1)(e) of the Act as now existing.

1.7 Any meeting of shareholders at which the holders of the second preferred shares are required or entitled by law to vote separately as a class or as a series shall, unless the articles of the Corporation otherwise provide, be called and conducted in accordance with the by-laws of the Corporation; provided that no amendment to or repeal of the provisions of such by-laws made after the date of the first issue of any of the second preferred shares by the Corporation shall be applicable to the calling and conduct of meetings of holders of the second preferred shares voting separately as a class or as a series unless such amendment or repeal has been theretofore approved by an ordinary resolution adopted by the holders of the second preferred shares voting separately as a class. If a quorum is not present at any such meeting within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than 15 days later and to such time and place as may be appointed by the chair of the meeting and at least ten days' notice shall be given of such adjourned meeting, but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of second preferred shares present or represented by proxy may transact the business for which the meeting was originally convened.