2024-02-07

Corporations Canada
C. D. Howe Building
235 Queen St
Ottawa ON K1A 0H5

Corporations Canada
Édifice C.D.Howe
235 rue Queen
Ottawa ON K1A 0H5

Shannon Lewis

Corporation number:
Numéro de société : **1115866-0**

Request Received:
Date de réception de la demande : **2024-01-31**

Request ID:
Numéro de la demande : **16822766**

Your reference:
Votre référence :

Please find enclosed corrected documents issued under the *Canada Business Corporations Act* (CBCA) for **Brookfield Office Properties Inc.** Please ensure that these documents are kept with the corporate records.

Notice of this correction will be listed in Corporations Canada's online Monthly Transactions report. Please ensure that the incorrect documents are no longer used by the corporation and that this correction is brought to the attention of anyone who may have previously received copies of these documents.

If you require additional information, please contact Corporations Canada.

Vous trouverez ci-joint les documents rectifiés émis en vertu de la *Loi canadienne sur les sociétés par actions* (LCSA) relativement à **Brookfield Office Properties Inc.** Veuillez vous assurer de les conserver avec les livres de la société.

L'émission des documents rectifiés sera également rapportée dans notre prochain rapport mensuel de transactions. Veuillez vous assurer que les documents erronés ne sont plus utilisés par la société et que la rectification a été portée à l'attention de toute personne ayant précédemment pu recevoir une copie de ces documents.

Si vous avez besoin de plus d'information, veuillez communiquer avec Corporations Canada.

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Certificate of Amalgamation

Canada Business Corporations Act

Certificat de fusion

Loi canadienne sur les sociétés par actions

Brookfield Office Properties Inc.

Corporate name / Dénomination sociale

1115866-0

Corporation number / Numéro de société

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

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

R Edwards

Raymond Edwards

Director / Directeur

2019-01-01

Date of Amalgamation (YYYY-MM-DD)
Date de fusion (AAAA-MM-JJ)

Canada

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Canada Business Corporations Act (CBCA)
FORM 9
ARTICLES OF AMALGAMATION
(Section 185)

1 - Corporate name of the amalgamated corporation

Brookfield Office Properties Inc.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

Ontario

3 - The classes and any maximum number of shares that the corporation is authorized to issue

Schedule A attached.

4 - Restrictions, if any, on share transfers

There are no restrictions on share transfers.

5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)

Minimum number 3 **Maximum number** 10

6 - Restrictions, if any, on the business the corporation may carry on

None

7 - Other provisions, if any

Schedule B attached.

8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:

○	**183 - Long form: approved by special resolution of shareholders**		◉	**184(1) - Vertical short-form: approved by resolution of directors**		○	**184(2) - Horizontal short-form: approved by resolution of directors**

9 - Declaration

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
4308824 Canada Inc.	430882 - 4	
11089234 Canada Inc.	1108923 - 4	
Brookfield Office Properties Inc.	891409 - 5	
	-	

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

Canada

SCHEDULE A

The Corporation is authorized to issue:

an unlimited number of Class A Preference Shares, issuable in series;

4,612,500 Class A Preference Shares, Series A
9,589,500 Class A Preference Shares, Series B

6,000,000 Class AA Preference Shares, issuable in series;

Nil Class AA Preference Shares, Series A
Nil Class AA Preference Shares, Series B
Nil Class AA Preference Shares, Series C
Nil Class AA Preference Shares, Series D
2,000,000 Class AA Preference Shares, Series E

an unlimited number of Class AAA Preference Shares, issuable in series

Nil Class AAA Preference Shares, Series A
Nil Class AAA Preference Shares, Series B
Nil Class AAA Preference Shares, Series C
Nil Class AAA Preference Shares, Series D
12,000,000 Class AAA Preference Shares, Series E
Nil Class AAA Preference Shares, Series F
6,000,000 Class AAA Preference Shares, Series G
8,000,000 Class AAA Preference Shares, Series H
Nil Class AAA Preference Shares, Series I
8,000,000 Class AAA Preference Shares, Series J
8,000,000 Class AAA Preference Shares, Series K
11,500,000 Class AAA Preference Shares, Series L
11,500,000 Class AAA Preference Shares, Series M
11,000,000 Class AAA Preference Shares, Series N
11,000,000 Class AAA Preference Shares, Series O
12,000,000 Class AAA Preference Shares, Series P
12,000,000 Class AAA Preference Shares, Series Q
10,000,000 Class AAA Preference Shares, Series R
10,000,000 Class AAA Preference Shares, Series S
10,000,000 Class AAA Preference Shares, Series T
10,000,000 Class AAA Preference Shares, Series U
1,805,489 Class AAA Preference Shares, Series V
3,816,527 Class AAA Preference Shares, Series W
300 Class AAA Preference Shares, Series X
2,847,711 Class AAA Preference Shares, Series Y
800,000 Class AAA Preference Shares, Series Z

12,000,000 Class AAA Preference Shares, Series AA
12,000,000 Class AAA Preference Shares, Series BB
8,000,000 Class AAA Preference Shares, Series CC
8,000,000 Class AAA Preference Shares, Series DD
11,000,000 Class AAA Preference Shares, Series EE
11,000,000 Class AAA Preference Shares, Series FF
11,000,000 Class AAA Preference Shares, Series GG
11,000,000 Class AAA Preference Shares, Series HH
10,000,000 Class AAA Preference Shares, Series II
10,000,000 Class AAA Preference Shares, Series JJ

an unlimited number of Class B Preference Shares, issuable in Series
3,600,000 Class B Preference Shares, Series 1
3,000,000 Class B Preference Shares, Series 2
31,000 Class B Preference Shares, Series 3
42,000 Class B Preference Shares, Series 4

and an unlimited number of common shares

BROOKFIELD OFFICE PROPERTIES INC.
(the "Corporation")

SHARE PROVISIONS

EXHIBIT I

1. CLASS A PREFERENCE SHARES

The Class A preference shares shall carry and be subject to the following rights, conditions and limitations that is to say:

1.1 The holders of the Class A preference shares shall be entitled to receive dividends as and when declared by the Directors. Such dividends shall be payable by cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada (far northern branches excepted) in half-yearly instalments on March 15 and September 15 in each year to shareholders of record on March 1 and September 1 respectively. If on any dividend payment date the Corporation shall not have paid the said dividends in full on all Class A preference shares then issued and outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates, in priority to dividends on any other shares of the Corporation and no dividends shall be declared or paid on or set apart for any such other shares unless all accrued cumulative dividends on all Class A preference shares then issued and outstanding shall have been declared and paid or provided for at the date of such declaration or payment or setting apart.

1.2 In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of its assets among the shareholders by way of return of capital, the holders of the Class A preference shares shall be entitled to receive the sum of $1.11111 per share together with all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued thereon and which, for such purpose, shall be treated as accruing up to the date of such distribution, in priority to any distribution to the holders of the common shares or any shares of any other class ranking junior to the Class A preference shares and such holders shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

1.3 The Corporation may, in the manner hereinafter provided, redeem all or from time to time any part of the outstanding Class A preference shares on payment to the holders thereof, for each share to be redeemed, of the sum of $1.11111 per share together with all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued thereon and which, for such purpose, shall be treated as accruing up to the date of such redemption.

1.4 Before redeeming any Class A preference shares, the Corporation shall mail to each person who, at the date of such mailing, is a registered holder of Class A preference shares to be redeemed, notice of the intention of the Corporation to redeem such Class A preference shares held by such registered holder, such notice shall be mailed by ordinary prepaid post addressed to the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any such holder not appearing on the books of the Corporation, then to the last known address of such holder, at least thirty (30) days before the date specified for redemption, provided, however, that the accidental failure to give such notice to one or more such holders shall not affect the validity of such redemption as to the other such holders. Such notice shall set out the redemption price, the date on which redemption is to take place and, if part only of the Class A preference shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. In case a part only of the then outstanding Class A preference shares is at any time to be redeemed, the Class A preference shares so to be redeemed shall be selected by lot, at the discretion of the Directors, shall be redeemed pro rata disregarding fractions. On and after the date so specified for

redemption the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class A preference shares to be redeemed, on presentation and surrender of the certificates for the Class A preference shares so called for redemption at the head office of the Corporation or at such other place or places as may be specified in such notice, and the certificates for such Class A preference shares shall thereupon be cancelled, and the redemption of the shares represented thereby shall thereupon be and be deemed to be complete. From and after the date specified for redemption in such notice, the holders of such Class A preference shares called for redemption shall cease to be entitled to dividends and shall not be entitled to any rights, in respect thereof, except to receive the redemption price, unless payment of the redemption price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights, of the holders of such Class A preference shares shall remain unimpaired. On or before the date specified for redemption the Corporation shall have the right to deposit the redemption price of Class A preference shares called for redemption with any trust company or chartered bank in Canada specified in the notice of redemption, to be paid, without interest, to or to the order of the respective holders of such Class A preference shares called for redemption upon presentation and surrender of the certificate representing the same and, upon such deposits being made, the Class A preference shares in respect whereof such deposit shall have been made shall have been made shall be deemed to be redeemed and the rights of the several holders thereof, after such deposit, shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective Class A preference shares against presentation and surrender of the certificates representing such Class A preference shares.

1.5 The Corporation shall have the right at its option at any time and from time to time to purchase (if obtainable) the whole or any part of the Class A preference shares outstanding in the open market or by invitation for tenders addressed to all holders of record of the Class A preference shares outstanding at the lowest price at which, in the opinion of the Directors of the Corporation, such shares are obtainable, but not exceeding the amount paid thereon, together with costs of purchase and all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued thereon and which, for such purpose, shall be treated as accruing up to the date of such purchase, the shares so tendered shall be purchased by lot in such manner as the Directors in their discretion shall decide, or, if the Directors so determine, shall be purchased pro rata, disregarding fractions.

1.6 Commencing with the fiscal period ending June 30, 2007 the Corporation shall undertake to purchase for cancellation or cause to be purchased (if obtainable) in the open market 40,000 Class A preference shares at such time or times in each fiscal year as in its discretion it shall determine at the price of $1.11111 per share, together with costs of purchase and all unpaid cumulative dividends whether or not earned or declared, which shall have accrued thereon, and which for such purposes shall be treated as accruing up to the date of such purchase.

1.7 The holders of the Class A preference shares shall be entitled to receive notice of and to attend all shareholders' meetings and for all purposes shall be entitled to one vote for each Class A preference share held.

1.8 The Class A preference shares shall consist of two series, namely Series A and Series B and no other series may be designated.

1.9 In the event of any future transaction resulting in an adjustment in the number of outstanding common shares including as a result of any subdivision, consolidation, stock dividend or otherwise, the board of directors of the Corporation shall make, subject to the prior approval of any relevant stock exchanges or securities regulatory authorities as necessary, appropriate adjustment in the number of outstanding Class A Preference Shares and the voting rights of the Class A Preference Shares. For greater certainty, such adjustment may be made without the approval of shareholders of the Corporation.

2. CLASS A PREFERENCE SHARES, SERIES A

The first series of Class A preference shares shall be designated as Series A and, in addition to the rights, restrictions, conditions and limitations attaching to the Class A preference shares as a class, shall have the following rights, restrictions, conditions and limitations that is to say:

2.1 Subject to Section 1.9, Series A shall consist of 4,612,500 Class A preference shares and no more;

2.2 The holders of the Class A preference shares, Series A shall be entitled to receive fixed preferential, cumulative cash dividends at the rate of 7 1/2% per annum on the amount paid thereon. With respect to any Class A preference shares, Series A issued up to March 1, 1979, the dividends shall accrue and be cumulative from the first day of December 1978 and such holders with respect to the first dividend payment due on March 15, 1979 shall be entitled to receive an additional amount equal to 4.6875 cents per share. With respect to any Class A preference shares, Series A issued after March 1, 1979, dividends shall accrue and be cumulative from the record date immediately preceding such issue.

3. CLASS A PREFERENCE SHARES, SERIES B

The second series of Class A preference shares shall be designated as Series B and, in addition to the rights, restrictions, conditions and limitations attaching to the Class A preference shares as a class, shall have the following rights, restrictions, conditions and limitations that is to say:

3.1 Subject to Section 1.9, Series B shall consist of 9,589,500 Class A preference shares and no more;

3.2 The holders of the Class A preference shares, Series B shall be entitled to receive fixed preferential, cumulative cash dividends at the rate of 7 1/2% per annum on the amount paid thereon. Such dividends shall accrue and be cumulative from the first day of March, 1979.

EXHIBIT II

1. CLASS AA PREFERENCE SHARES

The Class AA Preference shares shall as a class carry and be subject to the following rights, restrictions, conditions and limitations that is to say;

1.1 The Class AA preference shares may be issued at any time or from time to time in one or more series with such preferred deferred or other special rights, restrictions, conditions, limitations or designations attaching thereto including, without limiting the generality of the foregoing, such rates of cumulative preferred dividends, redemption price, conversion rights (if any), sinking or purchase fund (if any), retraction provisions (if any) and provisions for the amendment of such rights, restrictions, conditions, limitations or designations (the whole subject to the preferences, priorities, rights, conditions, limitations and restrictions attaching to the Class AA preference shares as a class) as shall be prescribed from time to time before issuance by any resolution providing for the issue of the Class AA preference shares of any series which may be passed by the directors of the Corporation.

1.2 The preferences, priorities and rights attaching to the Class AA preference shares shall be subject and subordinate to those attaching to the Class A preference shares of the Corporation, but only to the extent that they may conflict, therewith.

1.3 The Class AA preference shares of each series shall rank on a parity with the Class AA preference shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of 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.

1.4 Subject to the provisions of section 1.2 hereof, the holders of the Class AA preference shares shall be entitled to receive and the Corporation shall pay thereon as and when declared by the Directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed, cumulative, preferential, cash dividends at such rates and payable at such intervals as shall have been prescribed for each series. Such dividends shall accrue from such date as may in the case of each series be determined by the Directors of the Corporation, or in case no date be so determined, then from the date of issue thereof. Cheques of the Corporation, payable at par at any branch in Canada of a chartered bank from time to time selected by the Directors of the Corporation, shall be issued in respect of such dividends (less any taxes required to be deducted) and payment thereof shall satisfy such dividends. With respect to each series of Class AA preference shares, dividends shall be paid to the registered holders appearing on the register at the close of business on such a day preceding the day fixed for the payment of dividends as may be determined from time to time by the Directors of the Corporation.

1.5 Subject to the provisions of section 1.2 hereof, and the provisions relating to any particular series the Corporation shall have the right at its option at any time and from time to time to purchase (if obtainable) the whole or any part of the Class AA preference shares outstanding in the open market or by invitation for tenders addressed to all holders of record of the Class AA preference shares outstanding at the lowest price at which, in the opinion of the Directors of the Corporation, such shares are obtainable, but not exceeding the amount paid thereon, together with costs of purchase and all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued thereon and which, for such purpose, shall be treated as accruing up to the date of such purchase; provided that, if more Class AA preference shares are tendered in response to such invitation than the Corporation is willing to purchase, the shares so tendered shall be purchased by lot in such manner as the Directors in their discretion shall decide or, if the Directors so determine, shall be purchased pro rata, disregarding fractions.

1.6 Subject to the provisions of section 1.2 hereof, and the provisions relating to any particular series the Corporation shall before redeeming any Class AA preference shares mail to each person who, at the date of such mailing, is a registered holder of Class AA preference shares to be redeemed, notice of the intention of the Corporation to redeem such Class AA preference shares held by such registered holder; such notice shall be mailed by ordinary prepaid post addressed to the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any such holder not appearing on the books of the Corporation, then to the last known address of such holder, at least thirty (30) days before the date specified for redemption, provided, however, that the accidental failure to give such notice to one or more such holders shall not affect the validity of such redemption as to the other such holders, Such notice shall set out the redemption price, the date on which redemption is to take place and, if part only of the Class AA preference shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. In case a part only of the then outstanding Class AA preference shares is at any time to be redeemed, the Class AA preference shares so to be redeemed shall be selected by lot or, at the discretion of the Directors, shall be redeemed pro rata disregarding fractions. On and after the date so specified for redemption the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Class AA preference shares to be redeemed, on presentation and surrender of certificates for the Class AA preference shares so called for redemption at the head office of the Corporation or at such other place or places as may be specified in such notice, and the certificates for such Class AA preference shares shall thereupon be cancelled, and the redemption of the shares represented thereby shall thereupon be and be deemed to be complete. From and after the date specified for redemption in such notice, the holders of such Class AA preference shares called for redemption shall cease to be entitled to dividends and shall not be entitled to any rights in respect thereof, except to receive the redemption price, unless payment of the redemption price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such Class AA preference shares shall remain unimpaired. On or before the date specified for redemption the Corporation shall have the right to deposit the redemption price of the Class AA preference shares called for redemption with any trust company or chartered bank in Canada specified in the notice of redemption, to be paid, without interest, to or to the order of the respective holders of such Class AA preference shares called for redemption upon presentation and surrender of the certificates representing the same and, upon such deposits being made, the Class AA preference shares in respect whereof such deposit shall have been made shall be deemed to be redeemed and the rights of the several holders thereof, after such deposit, shall be limited to receiving, out of the moneys so deposited, without interest, the redemption price applicable to their respective Class AA preference shares against presentation and surrender of the certificates representing such Class AA preference shares.

1.7 The redemption price for each of the Class AA preference shares so redeemed shall be payable in lawful money of Canada and shall be at such price and with such premium thereon, if any, as may have been fixed for that purpose in respect of each series prior to the sale and allotment of any Class AA preference shares of such series plus an amount equal to all accrued but unpaid preferential dividends whether or not earned or declared (which for such purpose shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date fixed for redemption).

1.8 In the event of liquidation, dissolution or winding up the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, the holders of the Class AA preference shares shall, subject to the provisions of section 1.2 hereof, be entitled to receive the amount paid on such shares together with all unpaid dividends (which dividends, for such purpose, shall be calculated as if they were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of distribution) in priority to any distribution to the holders of the common shares or any shares of any other class ranking junior to the Class AA

preference shares and such holders shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

1.9 Subject to the *Canada Business Corporations Act* the holders of the Class AA preference shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting unless and until the Corporation from time to time shall fail to pay in the aggregate 8 quarterly dividends on the Class AA preference shares of any one series on the dates on which the same should be paid according to the terms thereof whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of dividends. Thereafter but only so long as any dividends on the Class AA preference shares or any series remain in arrears the holders of the Class AA preference shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and shall be entitled to 1 vote in respect of each Class AA preference share held.

2. CLASS AA PREFERENCE SHARES, SERIES A

The first series of Class AA preference shares shall be designated as Series A and, in addition to the rights, restrictions, conditions and limitations attaching to the Class AA preference shares as a class, shall have the following rights, restrictions, conditions and limitations that is to say:

1.1 Series A shall consist of nil Class AA preference shares and no more;

1.2 The fixed, preferential, cumulative cash dividends payable on the Class AA preference shares, Series A shall be a percentage rate equal to 1 1/2% plus 1/2 of the Mercantile Bank of Canada's prime lending rate as calculated on a daily basis, payable half-yearly on January 31 and July 31 until June 30, 1981. Thereafter the Corporation shall establish a dividend rate subject to the approval of the holders of the Class AA preference shares, Series A as provided in the *Canada Business Corporations Act* failing which rate shall be 12% per annum or the fluctuating rate of 1% over the Mercantile Bank of Canada's best lending rate, whichever is higher, payable half-yearly on January 31 and July 31 and in such event the Corporation shall repurchase at an amount equal to the price paid thereon, together with all accrued and unpaid dividends on the Class AA preference shares, Series A, 7,500 Class AA preference shares, Series A each October 30, January 31, April 30 and July 31 commencing October 31, 1981.

1.3 The Corporation shall have the right at its option, from time to time, upon three months prior written notice to redeem the whole or any part of the Class AA preference shares, Series A at an amount equal to the price paid thereon together with all accrued and unpaid dividends on the Class AA preference shares, Series A to be redeemed to the date fixed for redemption. In case a part only of the then outstanding Class AA preference shares, Series A is to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed pro rata, disregarding fractions.

3. CLASS AA PREFERENCE SHARES, SERIES B

There is hereby created a series of nil Class AA preference shares designated Class AA preference shares, Series B (herein referred to as the "**Class AA, Series B Shares**") to carry and be subject as a series to the following rights, privileges, restrictions and conditions in addition to those attaching to the Class AA preference shares as a class:

1. The Class AA, Series B Shares shall be issued for a cash consideration of Twenty-five Dollars ($25.00) per share.

2. Subject to the provisions of section 1.2 of **Error! Reference source not found.**1, the holders of the Class AA, Series B Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends at the Annual Floating Rate expressed on a per annum basis, such rate to be applied to an amount of Twenty-five Dollars ($25.00) per share. Dividends on the Class AA, Series B Shares shall accrue on a day-to-day basis from the date of issue thereof, shall be calculated on the basis of it 365-day year or a 366-day year, as the case may be, for the actual number of days elapsed and shall be payable in Canadian currency, quarterly, on April 30, July 31, October 31 and January 31 of each year (which dates are herein referred to collectively as "**Dividend Payment Dates**" and individually as a "**Dividend Payment Date**"), the first Dividend Payment Date to be July 31, 1979. At the time of payment of each dividend the Corporation shall furnish to the holders of the Class AA, Series B Shares particulars of its calculation of the rate of such dividend.

3. For the purposes hereof, the following terms shall have the following respective meanings:

3.1 "**Mercantile's Best Lending Rate**" for any business day means the rate of interest, expressed on a per annum basis, quoted by La Banque Mercantile du Canada, as at the Close of Business, as being charged by it on commercial demand loans payable in Canadian dollars to its commercial customers in Canada having the highest credit rating;

3.2 "**Close of Business**" means the normal closing hour of La Banque Mercantile du Canada in Montreal, Quebec;

3.3 "**Rate**" for a particular Dividend Payment Date means the rate of interest, expressed on a per annum basis, rounded to the nearest one-hundredth of one per cent (0.01%) equal to the quotient obtained by dividing the sum of the Mercantile's Best Lending Rates in respect of each business day of the quarterly period preceding such Dividend Payment Date by the number of business days in such quarterly period;

3.4 "**Annual Floating Rate**" expressed on a per annum basis in respect of each Dividend Payment Date means, subject to Article 9, the aggregate of:

(a) one-half (1/2) of the Rate for the particular Dividend Payment Date, plus

(b) one and one-half per cent (1-1/2%).

4. The Corporation shall have the right at its option, on any Dividend Payment Date occurring after June 30, 1982, upon three (3) months' prior written notice or, at any time after the introduction of legislation containing an amendment contemplated by Article 9 hereof, upon thirty (30) days' prior written notice, to redeem the whole or any part of the Class AA, Series B Shares at a redemption price per share of Twenty-five Dollars ($25.00) together with all accrued and unpaid dividends, whether or not earned or declared, which shall have accrued on the Class AA, Series B Shares to and including the date fixed for redemption. In case a part of the then outstanding Class AA, Series B Shares is to be-redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Directors of the Corporation in their discretion shall decide or, if the Directors of the Corporation so determine, may be redeemed, pro rata, disregarding fractions.

Any redemption contemplated by this Article 4 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class. Notice of any redemption shall be given in writing by the Corporation to each holder of Class AA, Series B Shares to be redeemed at least three (3) months' prior to the date fixed for redemption setting out the number of shares

held by such holder which are to be redeemed, the date on which such redemption is to take place and the redemption price; provided, however, that accidental failure to give such notice to one (1) or more of such holders, who shall not in the aggregate hold more than ten per cent (10%) of the issued and outstanding Class AA, Series B Shares, shall not affect the validity of such redemption as to the other holders, but upon such failure being discovered notice shall be given forthwith and shall have the same force and effect as if given in due time.

If a part only of the preference shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series B Shares so redeemed shall not be re-issued by the Corporation.

5. To the extent permitted by law, and subject to the provisions of section 1.2 of Exhibit I1 and the provisions hereinafter contained, the Corporation shall, commencing on April 30, 1982 and each and every year thereafter on each subsequent anniversary of such date (which date and anniversaries thereof are herein referred to collectively as "**Redemption Dates**" and individually as a "**Redemption Date**"), redeem five per cent (5%) of the Class AA, Series B Shares issued and outstanding on the particular Redemption Date at a price per share equal to Twenty-five Dollars ($25.00) together with an amount equal to all dividends accrued and unpaid thereon, whether or not earned or declared, which shall have accrued on the Class AA, Series B Shares to and including the particular Redemption Date.

Any redemption contemplated by this Article 5 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class.

The shares so to be redeemed shall be redeemed pro rata disregarding fractions and not by lot.

A holder of the Class AA, Series B Shares may, within fifteen (15) days of its receipt of a notice of redemption contemplated by this Article 5, notify the Corporation in writing of its desire to waive, for one year at a time, the obligation of the Corporation to redeem Class AA, Series B Shares On the particular Redemption Date and, provided the Corporation shall have received waiver(s) with respect to a particular Redemption Date from holder(s) representing not less than two-thirds (2/3rds) in number of the issued and outstanding Class AA, Series B Shares at the particular time, the Corporation shall not redeem any of the Class AA, Series B Shares that would otherwise have been redeemed on the particular Redemption Date; provided, however, that the Corporation shall be required to redeem the Class AA, Series B Shares in respect of which the requisite waiver(s) has been given on the next following Redemption Date in addition to the number of Class AA, Series B Shares that the Corporation is obligated to redeem on such date in accordance with the first paragraph of this Article 5.

If a part only of the preference shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series B Shares so redeemed shall not be re-issued by the Corporation.

6. To the extent permitted by law, and subject to the provisions of section 1.2 of Exhibit I1, the Corporation Shall, on December 31, 1989, redeem all of the Class AA, Series B Shares issued and outstanding on such date at a price per share equal to Twenty-five Dollars ($25.00) together with all accrued and unpaid cumulative dividends, whether or not earned or declared, which shall have accrued on the Class AA, Series B Shares to and including such redemption date.

The redemption contemplated by this Article 6 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class.

If prior to the mailing of the notice of redemption contemplated by this Article 6, the Corporation determines that it will not be permitted, by insolvency or other provisions of applicable law, to redeem all the Class AA, Series B Shares then outstanding, the Corporation shall include in such notice a statement of the maximum number of Class AA, Series B Shares which it then believes it will be permitted to redeem; provided that, if the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all of the Class AA, Series B Shares would be contrary to any insolvency provisions or other provisions of applicable law, the Corporation shall be obligated to redeem Class AA, Series B Shares only to the extent of the maximum sum of money that may be so applied (rounded to the next lower multiple of Twenty-five Dollars ($25.00) without being contrary to such provisions. In such case the Corporation shall pay to each holder of Class AA, Series B Shares that holder's pro rata share of the moneys available as aforesaid and shall issue and deliver to each such holder a new share certificate, at the expense of the Corporation, representing the Class AA, Series B Shares not redeemed. If the Corporation fails to redeem, because of insolvency provisions or other provisions of applicable law, all of the Class AA, Series B Shares in accordance with the first paragraph of this Article 6, then as soon as reasonably feasible after the Corporation is no longer prevented, by insolvency or other provisions of applicable law, from redeeming the remaining outstanding Class AA, Series B Shares, the Corporation shall redeem such shares and shall send written notice to all holders thereof that the redemption of such shares by the Corporation shall take place on a date which is not less than thirty (30) days subsequent to the date of such notice, such redemptions to continue as aforesaid until all remaining outstanding Class AA, Series B Shares have been redeemed.

7. So long as any of the Class AA, Series B Shares are outstanding, the Corporation shall not, without the approval of the holders of the Class AA, Series B Shares as hereinafter specified:

(a) issue any shares ranking senior to or on a parity with the Class AA, Series B Shares, or

(b) redeem or purchase for cancellation any shares of the Corporation except for the Class A preference shares, Series A and Class A preference shares, Series B issued and outstanding as of this date.

8. In the event of liquidation, dissolution or winding-up of the Corporation or other distribution of its assets among its shareholders, other than by way of dividends paid while the Corporation is a going concern out of moneys of the Corporation properly applicable to the payment of dividends, the holders of the Class AA, Series B Shares shall, subject to the provisions of section 1.2 of Exhibit I1, be entitled to receive the sum of Twenty-five Dollars ($25.00) per share together with an amount equal to all dividends accrued and unpaid thereon (which dividends, for such purpose, shall be calculated as if they were accruing from day to day for the period from the expiration of the last period for which dividends have been paid up to and including the date of distribution) before any distribution shall be made to the holders of the common shares of the Corporation or any shares of any other class ranking junior to the Class AA preference shares and such holders shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

9. In the event of any amendment to the *Income Tax Act* (Canada) or to any other legislation of Canada or of any province of Canada which imposes tax on income, including an amendment to the regulations under any such legislation, other than an amendment to the general tax rate for corporations levied on "**taxable income**" (as that term is defined in the relevant tax legislation as in force at the time of the making of the amendment) of corporations or a class of corporations, is made which affects the income tax treatment of dividends on the Class AA, Series B Shares received or receivable by a holder of Class AA, Series B Shares which is a "**taxable Canadian corporation**" and a "**public corporation**" but is not a "**mutual fund corporation**" (as those terms are defined in the *Income Tax Act* (Canada) as in force at the time of the making of the amendment) or which affects the income tax treatment of the interest charges (the

"**Corresponding Interest Charges**") payable by such holder on funds which are deemed to have been borrowed in order to finance the purchase of the Class AA, Series B Shares by such holder, in any manner which has the effect of lowering the holder's effective after-tax return on dividends received on the Class AA, Series B Shares, based on the issue price of Twenty-five Dollars ($25.00) per share and after taking into account all income taxes levied on the dividends on such shares received by such holder and the income tax treatment of the Corresponding Interest Charges, the Annual Floating Rate in respect of each Dividend Payment Date falling on or subsequent to the effective date of such amendment shall, notwithstanding section 3.4, mean the Rate for the particular Dividend Payment Date and the first dividend which shall be paid on the first Dividend Payment Date falling subsequent to the date on which such amendment is enacted into law shall consist of the regular quarterly dividend accrued to such Dividend Payment Date calculated at (the Rate together with an additional dividend equal to the aggregate amount, if any, by which the dividends that would have accrued on such Class AA, Series B Shares calculated at the Rate during the period commencing on the date upon which the relevant tax amendment commenced to affect accruing dividends on the Class AA, Series B Shares and terminating on the immediately prior Dividend Payment Date would have exceeded the dividends actually paid on the Class AA, Series B Shares during such period.

In the event that the Class AA, Series B Shares are redeemed, in whole or in part, by the Corporation on a date which is on or subsequent to the introduction of legislation containing an amendment contemplated by this Article 9 and which is prior to the date on which such amendment is enacted into law ("**Date of Enactment**"), the tenth day following the Date of Enactment shall for the purposes hereof be deemed to be a Dividend Payment Date and the Corporation shall pay to the holder(s) of the Class AA, Series B Shares, at the time of such redemption, on such Dividend Payment Date an additional dividend equal to the aggregate amount, if any, by which the dividends that would have accrued on such Class AA, Series B Shares calculated at the Rate during the period commencing on the date upon which the relevant tax amendment commenced to affect accruing dividends on the Class AA, Series B Shares and terminating on the date of the aforesaid redemption would have exceeded the dividends actually paid on the Class AA, Series B Shares during such period.

10. Subject to the provisions of the *Canada Business Corporations Act*, the provisions contained in Articles 1 to 9, in Article 11 and in this Article may be repealed or amended in whole or in part, but only with the approval of the holders of the Class AA, Series B Shares given as hereinafter specified.

11. The approval of the holders of the Class AA, Series B Shares as to any and all matters hereinbefore referred to may be given in writing by the holders of at least two-thirds (2/3rds) of the outstanding shares of such series or by resolution passed or by-law sanctioned at a meeting of holders of shares of such series duly called for the purpose and held upon at least twenty-one (21) days' notice at which the holders of at least a majority of such shares are present or represented by proxy and carried by not less than two-thirds (2/3rds) of the votes cast on a poll at such meeting. If at any such meting the holders of a majority of such shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than fifteen (15) days later and to such time and place as may be appointed by the chairman of the meeting and at least ten (10) 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 Class AA, Series B Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by not less than two-thirds (2/3rds) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Class AA, Series B Shares referred to above. Any meeting of the holders of the outstanding Class AA, Series B Shares may be held at any time and for any purpose, without notice, if all holders of the Class AA, Series B Shares entitled to vote at the meeting are present or represented by proxy or waive notice of the meeting in writing. For the purposes of waiver of notice, the words "in writing" shall, without limitation, include the sending

of a telegram, telex, cable or any other form of written communication by a shareholder. Any holder may waive notice of any meeting either before or after the meeting is held.

Irregularities in the notice or in the giving thereof as well as the accidental omission to give notice of any meeting to, or the non-receipt of any notice by, one (1) or more holders of Class AA, Series B Shares, who shall not in the aggregate hold more than ten per cent (10%) of the issued and outstanding Class AA, Series B Shares, shall not invalidate any action taken at any meeting.

At any meeting of the holders of Class AA, Series B Shares each holder of such shares shall be entitled to one (1) vote in respect of each such share held by him.

The formalities to be observed with respect to the giving of notice of any meeting of holders of Class AA, Series B Shares and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation with respect to the meetings of shareholders.

4. CLASS AA PREFERENCE SHARES, SERIES C

There is hereby created a series of nil Class AA preference shares designated Class AA preference shares, Series C (herein referred to as the "**Class AA, Series C Shares**") to carry and be subject as a series to the following rights, privileges, restrictions and conditions in addition to those attaching to the Class AA preference shares as a class:

Issue Price

1. The Class AA, Series C Shares shall be issued for a cash consideration of Twenty-five Dollars ($25.00) per share.

Dividends

2. (a) Subject to the provisions of section 1.2 of Exhibit I1, the holders of the Class AA, Series C Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends at the Annual Floating Rate, such rate to be applied to an amount of Twenty-five Dollars ($25.00) per share. Dividends on the Class AA, Series C Shares shall accrue on a day-to-day basis and shall be cumulative from and including the date of issue thereof, shall be calculated on the basis of a 365-day year or a 366-day year, as the case may be, for the actual number of days elapsed and shall be calculated on each Dividend Payment Date and shall be payable, quarterly, on each Dividend Payment Date commencing October 31,1980. Cheques of the Corporation in Canadian currency payable at par at the main branch of the Corporation's bankers in Toronto shall be issued in respect of such dividends and shall be delivered to each holder of Class AA, Series C Shares on or before each Dividend Payment Date. At the time of payment of each dividend the Corporation shall furnish to the holders of the Class AA, Series C Shares particulars of its calculation of the Annual Floating Rate for such Dividend Payment Date.

(b) If on any Dividend Payment Date the dividend payable on such date is not paid in full on each Class AA, Series C preference share then issued and outstanding, such dividend or the unpaid portion thereof shall be paid on a subsequent date or dates determined by the board of directors of the Corporation on which the Corporation shall have sufficient monies properly applicable to the payment of the same.

(c) If on any Dividend Payment Date any amount of accrued dividends is not paid on any Class AA, Series C preference share then issued and outstanding, then, for the purpose only of calculating the dividends accruing on any such preference share thereafter and for no other purpose, such accrued and

unpaid amount of dividends shall be deemed to be an amount of cash consideration for which such Class AA, Series C preference share was issued so that thereupon and thereafter dividends at the Annual Floating Rate shall accrue in such Class AA, Series C preference share on the sum of:

(i) the aggregate cash consideration paid therefor; and

(ii) until the declaration of such accrued and unpaid amount of dividends by the board of directors of the Corporation and the actual payment thereof, the amount so deemed to have been paid as cash consideration for such Class AA, Series C preference share.

(d) For the purpose only of the calculation set out in paragraph 2(c), paragraph 2(a) shall be read as if the reference therein to October 31, 1980 were to April 30, 1980.

Definitions

3. For the purpose hereof, the following terms shall have the following respective meanings:

3.1 "**Annual Floating Rate**" expressed on a per annum basis in respect of each Dividend Payment Date means, subject to section 5(f) and Article 8 hereof, the aggregate of:

(a) one-half (1/2) of the Rate for the particular Dividend Payment Date; plus

(b) one and one-half per cent (1-1/2%);

3.2 "**Close of Business**" means the normal closing hour of The Bank of Nova Scotia in Toronto, Ontario;

3.3 "**Dividend Payment Date**" shall mean the last day of each of the months of January, April, July and October in each year;

3.4 "**Rate**" for a particular Dividend Payment Date means the rate of interest, expressed on a per annum basis, rounded to the nearest one-hundredth of one per cent (0.01%) equal to the quotient obtained by dividing the sum of Scotiabank's Best Lending Rates in respect of each day of the quarterly period ending on such Dividend Payment Date by the number of days in such quarterly period;

3.5 "**Redemption Price Per Share**" shall mean for each Class AA, Series C preference share the sum of:

(a) Twenty-five Dollars ($25.00);

(b) an amount equal to all accrued and unpaid dividends whether or not earned or declared which shall have accrued on such Class AA, Series C preference share to and including the date fixed for redemption, and

(c) such further amounts, if any, as may be prescribed or required to be paid on such Class AA, Series C preference shares by the terms attaching to the Class AA, Series C Shares;

3.6 "**Scotiabank's Best Lending Rate**" for any day means the rate of interest, expressed on a per annum basis, quoted by The Bank of Nova Scotia, as at the Close of Business, as being charged by it on commercial demand loans payable in Canadian dollars to its commercial customers in Canada having the highest credit rating, provided that Scotiabank's Best Lending Rate shall, in respect of any day that is not a business day and for which no such rate is quoted by The Bank of Nova Scotia, be Scotiabank's Best Lending Rate for the nearest preceding business day.

Optional Redemption

4. (a) The Corporation shall have the right at its option, on any Dividend Payment Date occurring after June 30, 1982, upon three (3) months' prior written notice or, at any time after the occurrence of a change or change in status or the making of a determination or direction contemplated by Article 8 hereof, upon thirty (30) days' prior written notice, to redeem the whole or any part of the Class AA, Series C Shares at the Redemption Price per Share. In case a part of the then outstanding Class AA, Series C Shares is to be redeemed, the minimum number of Class AA, Series C which may be redeemed shall be four thousand (4,000) and the shares so to be redeemed shall be selected by lot in such manner as the Directors of the Corporation in their discretion shall decide or, if the Directors of the Corporation so determine, may be redeemed, pro rata, disregarding fractions. Except to the extent that on any date fixed under Article 5 hereof for the mandatory redemption of Class AA, Series C Shares there are fewer preference shares then issued and outstanding than are required to be redeemed, the Class AA, Series C Shares redeemed pursuant to this Article 4 shall not reduce the number of preference shares which the Corporation is required to redeem on the dates fixed for mandatory redemption in Article 5 hereof.

(b) Any redemption contemplated by this Article 4 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class. Notice of any redemption shall be given in writing by the Corporation to each holder of Class AA, Series C Shares to be redeemed at least three (3) months, or in the case of a redemption resulting from the occurrence of a change or change in status or the making of a determination or direction contemplated by Article 8 hereof, at least thirty (30) days, prior to the date fixed for redemption, setting out the number of shares held by such holder which are to be redeemed, the date on which such redemption is to take place, the redemption price and the calculation thereof; provided, however, that accidental failure to give such notice to one (1) or more of such holders, who shall not in the aggregate hold more than ten per cent (10%) of the issued and outstanding Class AA, Series C Shares, shall not affect the validity of such redemption as to the other holders, but upon such failure being discovered notice shall be given forthwith and shall have the same force and effect as if given in due time.

(c) If a part only of the Class AA, Series C preference shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series C Shares so redeemed shall not be re-issued by the Corporation.

Mandatory Redemption

5. (a) Subject to the provisions of section 1.2 of Exhibit I1 and the provisions hereinafter contained, the Corporation shall redeem Class AA, Series C Shares in accordance with the following schedule, in each case at the Redemption Price per Share:

Redemption Date	No. of Class AA, Series C Shares to be redeemed
Apri1 30, 1982	20,000
April 30, 1983	19,000
April 30, 1984	18,040
April 30, 1985	17,120
April 30, 1986	16,280
April 30, 1987	15,440
Apri1 30, 1988	14,680
April 30, 1989	13,960
Apri1 30, 1990	All Class AA, Series C shares then issued and outstanding

(b) Any redemption contemplated by this Article 5 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class. Notice of any redemption shall be given in writing by the Corporation to each holder of Class AA, Series C Shares at least thirty (30) days prior to the date fixed for redemption setting out the number of shares held by such holder which are to be redeemed, the date on which such redemption is to take place, the redemption price and the calculation thereof; provided, however, that accidental failure to give such notice to one (1) or more of such holders who shall not in the aggregate hold more than ten per cent (10%) of the issued and outstanding Class AA, Series C Shares shall not affect the validity or such redemption as to the other holders, but upon such failure being discovered notice shall be given forthwith and shall have the same force and effect as if given in due time. The redemption price for the Class AA, Series C Shares of each holder to be redeemed will be paid to such holder by cheque of the Corporation in Canadian currency payable at par at the main branch of the Corporation's bankers in Toronto. The shares so to be redeemed shall be redeemed pro rata disregarding fractions and not by lot.

(c) A holder of the Class AA, Series C Shares may, within fifteen (15) days of its receipt of a notice of redemption given under this Article 5, other than a notice of redemption given in respect of the redemption of all issued and outstanding Class AA, Series C Shares on April 30, 1990, notify the Corporation in writing of its desire to waive, for one year at a time, the obligation of the Corporation to redeem Class AA, Series C Shares on the particular redemption date and, provided the Corporation shall have received waiver(s) with respect to a particular redemption date from holder(s) representing not less than two-thirds (2/3rds) in number of the issued and outstanding Class AA, Series C Shares at the particular time, the Corporation shall not redeem any of the Class AA, Series C Shares that would otherwise have been redeemed on the particular redemption date; provided, however, that the Corporation shall be required to redeem the Class AA, Series C Shares in respect of which the requisite waiver(s) has been given on the

next following redemption date provided for under this Article 5 in addition to the number of Class AA, Series C Shares that the Corporation is obligated to redeem on such date in accordance with this Article 5.

(d) If a part only of the Class AA, Series C preference shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series C Shares so redeemed shall not be re-issued by the Corporation.

(e) If prior to the mailing of a notice of redemption contemplated by this Article 5, the Corporation determines that it will not be permitted, by insolvency or other provisions of applicable Law, to redeem all the Class AA Series C Shares required to be redeemed, the Corporation shall include in such notice a statement of the maximum number of Class AA, Series C Shares which it then believes it will be permitted to redeem; provided that, if the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all of the Class AA, Series C Shares required to be redeemed would be contrary to any insolvency provisions or other provisions of applicable law, the Corporation shall be obligated to redeem Class AA, Series C Shares only to the extent of the maximum sum of money that may be so applied (rounded to the next lower multiple of Twenty-five Dollars ($25.00)) without being contrary to such provisions. In such case the Corporation shall pay to each holder of Class AA, Series C Shares that holder's pro rata share of the moneys available as aforesaid and shall issue and deliver to each such holder a new share certificate, at the expense of the Corporation, representing the Class AA, Series C Shares not redeemed. If the Corporation fails to redeem, because of insolvency provisions or other provisions of applicable law, any Class AA, Series C Shares in accordance with this Article 5, then as soon as reasonably feasible after the Corporation is no longer prevented, by insolvency or other provisions of applicable law, from redeeming the lesser of the remaining outstanding Class AA, Series C Shares required to be redeemed and four thousand (4,000) Class AA, Series C Shares, the Corporation shall redeem the lesser of such shares and shall send written notice to all holders thereof that the redemption of such shares by the Corporation shall take place on a date which is not less than thirty (30) days subsequent to the date of such notice, and such redemptions shall continue as aforesaid until all remaining Class AA, Series C Shares required to be redeemed on any redemption date have been redeemed.

(f) Notwithstanding section 3.1 hereof, if on any mandatory redemption date provided for in this Article 5, any Class AA, Series C preference shares required to be redeemed is not redeemed, including any Class AA, Series C preference shares not redeemed as a result of the application of section (e) of this Article 5 but excluding any Class AA, Series C preference share not redeemed as a result of the application of section (c) of this Article 5, then, in respect of each Dividend Payment Date falling subsequent to the date on which any such preference share was required to be redeemed, the Annual Floating Rate in respect of such preference share shall, until such preference share is redeemed, be the Rate for the particular Dividend Payment Date.

Restrictions

6. So long as any of the Class AA, Series C Shares are outstanding, the Corporation shall not, without the approval of the holders of the Class AA, Series C Shares as hereinafter specified:

(a) issue any shares ranking senior to or on a parity with the Class AA, Series C Shares; or

(b) redeem or purchase for cancellation any shares of the Corporation except for the Class A preference shares, Series A, Class A preference shares, Series B or the Class AA preference shares, Series B issued and outstanding as of January 31, 1980.

Liquidation

7. In the event of liquidation, dissolution or winding-up of the Corporation whether voluntary or involuntary or other distribution of its assets among its shareholders, other than by way of dividends paid while the Corporation is a going concern out of moneys of the Corporation properly applicable to the payment of dividends, the holders of the Class AA, Series C Shares shall, subject to the provisions of section 1.2 of Exhibit I1, be entitled to receive the Redemption Price per Share for each Class AA, Series C Shares before any distribution shall be made to the holders of the common shares of the Corporation or any shares of any other class ranking junior to the Class AA preference shares and except as provided in Article 8 hereof such holders shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

Tax Change

8. If at any time (whether before or after the redemption of any Class AA, Series C Shares, the obligation of the Corporation thereunder being deemed to survive any such redemption) a change occurs in any applicable law or in the interpretation, administration or enforcement thereof or a determination or direction is made by any court of competent jurisdiction or any other lawful authority or the Corporation ceases to be a taxable Canadian corporation within the meaning of the *Income Tax Act* (Canada) the effect of which is that:

(a) dividends paid or payable on the Class AA, Series C Shares to a holder of Class AA, Series C Shares are subject to any tax, levy or impost of any kind;

(b) such dividends are not fully deductible from the income of a holder of Class AA, Series C Shares in computing its taxable income for taxation purposes in any jurisdiction in Canada;

(c) the cost to a holder of Class AA, Series C a Shares of making or maintaining its investment in the Class AA, Series C Shares is increased; or

(d) the cost to a holder of Class AA, Series C Shares of funds used or deemed to have been used in making or maintaining the investment of such holder in the Class AA, Series C Shares is not fully deductible against income (assuming that income exists in any year against which to deduct such cost) in computing its income for taxation purposes in any jurisdiction in Canada;

then the Annual Floating Rate in respect of each Dividend Payment Date falling on or subsequent to the date upon which the relevant change, change in status, determination or direction commences to affect accruing dividends on the Class AA, Series C Shares (the "**effective date**") shall, notwithstanding section 3.1, mean the Rate for the particular Dividend Payment Date and the first dividend which shall be paid on the Class AA, Series C Shares outstanding on the first Dividend Payment Date falling Subsequent to the date of occurrence of such change or change in status or the date of making of such determination or direction shall consist of the quarterly dividends accrued on such Class AA, Series C Shares to such Dividend Payment Date together with an additional dividend equal to the aggregate amount, if any, by which the dividends that accrued on such Class AA, Series C Shares calculated at the Rate during the period commencing on the effective date and terminating on the immediately prior Dividend Payment Date exceeded the dividends actually paid on such Class AA, Series C Shares during such period.

In the event that any Class AA, Series C Shares are redeemed prior to the first Dividend Payment Date falling subsequent to the date of occurrence of a change or change in status or the date of making of a determination or direction contemplated by this Article 8, the Corporation shall pay to the holder(s) of the

Class AA, Series C Shares so redeemed at the time of such redemption, an additional amount equal to the aggregate amount, if any, by which the dividends that accrued on such Class AA, Series C Shares calculated at the Rate during the period commencing on the effective date and terminating on the date of the aforesaid redemption exceeded the dividends actually paid on the Class AA, Series C Shares so redeemed during such period. In the event that the additional amount so required to be paid is not determinable at the time of such redemption, the Corporation shall upon thirty (30) days' prior written notice from the holder(s) of the Class AA, Series C Shares so redeemed pay such additional amount to such holder(s).

Transfer

9. The transfer of the Class AA, Series C Shares by any holder thereof is restricted in that no transfer shall take place or be effective without the consent of the Corporation (to be expressed either by it resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by all the directors) if, as a result of the transfer and the operation of Article 8 hereof the Annual Floating Rate immediately after the transfer would be greater than the Annual Floating Rate immediately before the transfer.

Amendment

10. The provisions contained in Articles 1 to 9, in Articles 11 to 13 and in this Article may be repealed or amended in whole or in part, but only with the approval of the holders of the Class AA, Series C Shares given as hereinafter specified.

Approval of Holders

11. The approval of the holders of the Class AA, Series C Shares as to any and all matters whether or not hereinbefore referred to may be given in writing by the holders of at least two thirds (2/3rds) of the outstanding shares of such series or by resolution passed or by-law sanctioned at a meeting of holders of shares of such series duly called for the purpose and held upon at least twenty-one (21) days' notice at which the holders of at least a majority of such shares are present or represented by proxy and carried by not less than two-thirds (2/3rds) of the votes cast on a poll at such meeting. If at any such meeting the holders of a majority of such shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than fifteen (15) days later and to such time and place as may be appointed by the chairman of the meeting and at least ten (10) 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 Class AA, Series C Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by not less than two-thirds (2/3rd) of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Class AA, Series C Shares referred to above. Any meeting of the holders of the outstanding Class AA, Series C Shares may be held at any time and for any purpose, without notice, if all holders of the Class AA, Series C Shares entitled to vote at the meeting are present or represented by proxy or waive notice of the meeting in writing. For the purposes of waiver of notice, the words "**in writing**" shall, without limitation, include the sending of a telegram, telex, cable or any other form of written communication by a shareholder. Any holder may waive notice of any meeting either before or after the meeting is held.

Irregularities in the notice or in the giving thereof as well as the accidental omission to give notice of any meeting to, or the non-receipt of any notice by, one (1) or more holders of Class AA, Series C Shares, who shall not in the aggregate hold more than ten per cent (10%) of the issued and outstanding Class AA, Series C Shares, shall not invalidate any action taken at any meeting.

At any meeting of the holders of Class AA, Series C Shares each holder of such shares shall be entitled to one (1) vote in respect of each such share held by him.

The formalities to be observed with respect to the giving of notice of any meeting of holders of Class AA, Series C Shares and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

Notices

12. All notices and communications may be given by the Corporation to the holders of Class AA, Series C Shares at their respective addresses as they appear in the Securities Register of the Corporation. All notices and communications may be given by a holder of Class AA, Series C Shares to the Corporation at its registered office.

Interpretation

13. In the event that any date on which any dividend on the Class AA, Series C Shares is payable by the Corporation or on or by which any other action required to be taken by the Corporation hereunder is not a business day, then the dividend shall be payable, or such other actions shall be required to be taken, on the next succeeding date that is a business day. For greater certainty, it is expressly declared that the Dividend Payment Date shall, for the purposes of calculating the dividend payable on the actual date of payment, remain unchanged.

5. CLASS AA PREFERENCE SHARES, SERIES D

There is hereby created a series of nil Class AA preference shares designated Class AA preference shares, Series D (herein referred to as the "**Class AA, Series D Shares**") to carry and be subject as a series to the following rights, privileges, restrictions and conditions in addition to those attaching to the Class AA preference shares as a class:

1. The Class AA, Series D Shares shall be issued for a cash consideration of $25.00 per share.

2. Subject to the provisions of section 1.2 of Exhibit I1, the holders of the Class AA, Series D Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends at the Annual Floating Rate expressed on a per annum basis, such rate to be applied to an amount of $25.00 per share. Dividends on the Class AA, Series D Shares shall accrue on a day-to-day basis from the date of issue thereof, shall be calculated on the basis of a 365-day year or a 366-day year, as the case may be, for the actual number of days elapsed and shall be payable in Canadian currency, quarterly, on January 31, April 30, July 31 and October 31 of each year (which dates are herein referred to collectively as "**Dividend Payment Dates**" and individually as a "**Dividend Payment Date**"), the first Dividend Payment Date to be April 30, 1981. At the time of payment of each dividend the Corporation shall furnish to the holders of the Class AA, Series D Shares particulars of its calculation of the rate of such dividend.

3. For the purposes hereof, the following terms shall have the following respective meanings:

   3.1 "**Mercantile's Best Lending Rate**" for any business day means the rate of interest, expressed on a per annum basis, published, quoted and commonly known as the "**prime note**" of The Mercantile Bank of Canada, as at the Close of Business, as being charged by

it on commercial demand loans payable in Canadian dollars to its commercial customers in Canada having the highest credit rating;

3.2 "**Close of Business**" means the normal closing hour of The Mercantile Bank of Canada in Toronto, Ontario;

3.3 "**Rate**" for a particular Dividend Payment Date means the rate of interest, expressed on a per annum basis, rounded 10 the nearest 0.01%, equal to the quotient obtained by dividing the sum of the Mercantile's Best Lending Rate in respect of each business day of the quarterly period preceding such Dividend Payment Date by the number of business days in such quarterly period;

3.4 "**Annual Floating Rate**" expressed on a per annum basis in respect of each Dividend Payment Date means, subject to Article 9, the aggregate of:

(a) 1/2 of the Rate for the particular Dividend Payment, plus

(b) 1-1/2%.

4. The Corporation shall have the right at its option, on any Dividend Payment Date occurring after June 30, 1982, upon 3 months' prior written notice or, at any time after the occurrence of any Tax Event contemplated by Article 9 hereof, upon 30 days' prior written notice, to redeem the whole or any part of the Class AA, Series D Shares at a redemption price per share of $25.00 together with all accrued and unpaid dividends, whether or not earned or declared, which shall have accrued on the Class AA, Series D Shares to and including the date fixed for redemption. In case a part only of the then outstanding Class AA, Series D Shares is to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Directors of the Corporation in their discretion shall decide or, if the Directors of the Corporation so determine, may be redeemed, pro rata, disregarding fractions.

Any redemption contemplated by this Article 4 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class. Notice of any redemption shall be given in writing by the Corporation to each holder of Class AA, Series D Shares to be redeemed at least 3 months prior to the date fixed for redemption setting out the number of shares held by such holder which is to be redeemed, the date on which such redemption is to take place and the redemption price; provided, however, that accidental failure to give such notice to 1 or more of such holders, who shall not in the aggregate hold more than 10% of the issued and outstanding Class AA, Series D Shares, shall not affect the validity of such redemption as to the other holders, but upon such failure being discovered, notice shall be given forthwith and shall have the same force and effect as if given in due time.

If a part only of the Class AA, Series D Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series D Shares so redeemed shall not be re-issued by the Corporation.

5. To the extent permitted by law, and subject to the provisions of section 1.2 of Exhibit I1 and the provisions hereinafter contained, the Corporation shall, commencing on January 31, 1984 and each and every year thereafter on each subsequent anniversary of such date (which date and anniversaries thereof are herein referred to collectively as "**Redemption Dates**" and individually as a "**Redemption Date**"), redeem 5% of the Class AA, Series D Shares issued and outstanding on the particular Redemption Date at a price per share equal to $25.00 together with an amount equal to all dividends accrued and unpaid thereon, whether or not earned or declared, which shall have accrued on the Class AA, Series D Shares to and including the particular Redemption Date.

Any redemption contemplated by this Article 5 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class.

The shares so to be redeemed shall be redeemed pro rata among holders of the Class AA, Series D Shares disregarding fractions and not by lot.

A holder of the Class AA, Series D Shares may, within 15 days of receipt by it of a notice of redemption contemplated by this Article 5, notify the Corporation in writing of its desire to waive, for 1 year at a time, the obligation of the Corporation to redeem Class AA, Series D Shares on the particular Redemption Date and, provided the Corporation shall have received waiver(s) with respect to a particular Redemption Date from holder(s) representing not less than 2/3rds in number of the issued and outstanding Class AA, Series D Shares at the particular time, the Corporation shall not redeem any of the Class AA, Series D Shares that would otherwise have been redeemed on the particular Redemption Date; provided, however, that the Corporation shall be required to redeem the Class AA, Series D Shares in respect of which the requisite waiver(s) has been given on the next following Redemption Date in addition to the number of Class AA, Series D Shares that the Corporation is obligated to redeem on such date in accordance with the first paragraph of this Article 5.

If a part only of the Class AA, Series D Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued. Any Class AA, Series D Shares so redeemed shall not be re-issued by the Corporation.

6. To the extent permitted by law, and subject to the provisions of section 1.2 of Exhibit I1, the Corporation shall, on July 31, 1991, redeem all of the Class AA, Series D Shares issued and outstanding on such date at a price per share equal to $25.00 together with all accrued and unpaid cumulative dividends, whether or not earned or declared, which shall have accrued on the Class AA, Series D Shares to and including such redemption date.

The redemption contemplated by this Article 6 shall be effected pursuant to the provisions hereof and to the provisions not inconsistent herewith relating to the Class AA preference shares as a class.

If prior to the mailing of the notice of redemption contemplated by this Article 6, the Corporation determines that it will not be permitted, by insolvency or other provisions of applicable law, to redeem all the Class AA, Series D Shares then outstanding, the Corporation shall include in such notice a statement of the maximum number of Class AA, Series D Shares which it then believes it will be permitted to redeem; provided that, if the Corporation has acted in good faith in making such determination, the Corporation shall have no liability in the event that such determination proves inaccurate. If the redemption by the Corporation of all of the Class AA, Series D Shares would be contrary to any insolvency provisions or other provisions of applicable law, the Corporation shall be obligated to redeem Class AA, Series D Shares only to the extent of the maximum sum of money that may be so applied (rounded to the next lower multiple of $25.00) without being contrary to such provisions. In such case the Corporation shall pay to each holder of Class AA, Series D Shares that holder's pro rata share of the moneys available as aforesaid and shall issue and deliver to each such holder a new share certificate, at the expense of the Corporation, representing the Class AA, Series D Shares not redeemed. If the Corporation fails to redeem, because of insolvency provisions or other provisions of applicable law, all of the Class AA, Series D Shares in accordance with the first paragraph of this Article 6, then as soon as reasonably feasible after the Corporation is no longer prevented, by insolvency or other provisions of applicable law, from redeeming the remaining outstanding Class AA, Series D Shares, the Corporation shall redeem such shares and shall send written notice to all holders thereof that the redemption of such shares by the Corporation shall take place on a date which is not less than 30 days subsequent to the date of such notice, such redemptions to continue as aforesaid until all remaining outstanding Class AA, Series D Shares have been redeemed.

7. So long as any of the Class AA, Series D Shares are outstanding, the Corporation shall not, without the approval of the holders of the Class AA, Series D Shares as hereinafter specified:

(a) issue any shares ranking senior to or on a parity with the Class AA, Series D Shares, or

(b) redeem or purchase for cancellation any shares of the Corporation except for the Class A preference shares, Series A, the Class A preference shares, Series B, the Class AA preference shares, Series B and the Class AA preference shares, Series C issued and outstanding as of the date these Articles of Amendment become effective.

8. In the event of liquidation, dissolution or winding-up of the Corporation or other distribution of its assets among its shareholders, other than by way of dividends paid while the Corporation is a going concern out of moneys of the Corporation properly applicable to the payment of dividends, the holders of the Class AA, Series D Shares shall, subject to the provisions of section 1.2 of Exhibit I1, be entitled to receive the sum of $25.00 per share together with an amount equal to all dividends accrued and unpaid thereon before any distribution shall be made to the holders of the common shares of the Corporation or any shares of any other class ranking junior to the Class AA preference shares and such holders shall not be entitled to share any further in the distribution of the property or assets of the Corporation.

9. In the event of the occurrence of any Tax Event

(a) which affects the income tax treatment of dividends on the Class AA, Series D Shares received or receivable by a holder of Class AA, Series D Shares which is a "**taxable Canadian corporation**" and a "**public corporation**" but is not a "mutual fund corporation" (as those terms are defined in the *Income Tax Act* (Canada)) as in force at the time of the occurrence of the said Tax Event; or

(b) which affects the income tax treatment of the interest charges (referred to in this Article as the "**Corresponding Interest Charges**") payable by a holder of Class AA, Series D Shares on funds which are deemed to have been borrowed in order to finance the purchase of the Class AA, Series D Shares by such holder; in any manner which has the effect of lowering a holder's Effective After-Tax Return on dividends received on the Class AA, Series D Shares from what would have been such holder's Effective After-Tax Return had the Tax Event not occurred, the Annual Floating Rate in respect of each Dividend Payment Date falling subsequent to the first Dividend Payment Date falling subsequent to the Effective Date of such Tax Event shall, notwithstanding section 3.4, mean the Rate for the particular Dividend Payment Date.

Subject to the provisions of section 1.2 of Exhibit I1, the holders of the Class AA, Series D Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors, out of moneys of the Corporation properly applicable to the payment of dividends, a cumulative preferential dividend in addition to the dividends provided for in Article 2, payable on the first Dividend Payment Date falling subsequent to the Effective Date of the said Tax Event equal to the aggregate amount by which the dividends that would have accrued on such Class AA, Series D Shares calculated at the Rate during the period commencing on the Effective Date of the said Tax Event and terminating on the said Dividend Payment Date would have exceeded the dividends which would otherwise be payable on the Class AA, Series D Shares in respect of such period.

For the purposes of this Article 9, the following expressions shall have the meanings assigned hereunder:

"**Tax Event**" means:

(a) any change in applicable legislation (which term includes any regulation or order-in-council) other than a change in the rate of income tax applicable to corporations generally, or any change in the administrative interpretation of applicable law;

(b) any judgment or order of a court of competent jurisdiction;

(c) any change in the status of the Corporation (including without limitation, the loss of its status as a taxable Canadian corporation as defined in the *Income Tax Act* (Canada)) under applicable legislation for any reason;

(d) a breach by the Corporation of any representations or warranties given in writing to a holder of the Class AA, Series D Shares at the time of their purchase from the Corporation; or

(e) the receipt of a response from the Department of National Revenue, Taxation, to a request for an opinion made at or about the time of their purchase in respect of the Class AA, Series D Shares which, in the opinion of a holder who purchases such shares from the Corporation, is unfavourable;

"**Effective Date**" of a Tax Event means the date which is fifteen days after:

(a) in the case of a change referred to in paragraph (a) of the definition of Tax Event the earlier of: (y) the date on which such change becomes effective and (z) the date as of which such change is proposed to become effective, as announced in any official announcement of any competent governmental authority, notwithstanding that such change may not be formally enacted or implemented on or before such date;

(b) in the case of a judgment or order referred to in paragraph (b) of the definition of Tax Event the date when it is pronounced, notwithstanding the existence of any right of appeal;

(c) in the case of an event referred to in paragraph (c), (d) or (e) of the definition of Tax Event the earlier of: (y) the date on which the event occurs and (z) the date as of which a holder has reasonable cause to believe that the event has occurred provided the holder has so notified the Corporation in writing and 15 days have passed in which the Corporation, to the reasonable satisfaction of the holder, has not satisfied the holder that no such event has occurred;

"**Effective After-Tax Return**" in respect of dividends received on the Class AA, Series D Shares means the return on the issue price of $25.00 per share computed after taking into account all income taxes payable by the holder in the year in which such dividends are received or in any other year which may reasonably be regarded as attributable to the receipt by such holder of such dividends or the disallowance as a deduction, in whole or in part, of the Corresponding Interest Charges.

In this Article 9, the term "**holder**" shall include, if applicable, the beneficial owner of any Class AA, Series D Shares.

10. Subject to the provisions of the *Canada Business Corporations Act*, the provisions contained in Articles 1 to 9, in Article 11 and in this Article may be repealed or amended in whole or in part, but only with the approval of the holders of the Class AA, Series D Shares given as hereinafter specified.

11. The approval of the holders of the Class AA, Series D Shares as to any and all matters hereinbefore referred to may be given in writing by the holders of at least 2/3rds of the outstanding shares of such series or by resolution passed or by-law sanctioned at a meeting of holders of shares of such series duly called for the purpose and held upon at least 21 days' notice at which the holders of at least a majority of such shares are present or represented by proxy and carried by not less than 2/3rds of the votes cast on a poll at such meeting. If at any such meeting the holders of a majority of such shares are not present or represented by proxy 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 chairman of the meeting and at least 10 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 Class AA, Series D Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by not less than 2/3rds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Class AA, Series D Shares referred to above. Any meeting of the holders of the outstanding Class AA, Series D Shares may be held at any time and for any purpose, without notice, if all holders of the Class AA, Series D Shares entitled to vote at the meeting are present or represented by proxy or waive notice of the meeting in writing. For the purposes of waiver of notice, the words "**in writing**" shall, without limitation, include the sending of a telegram, telex, cable or any other form of written communication by a shareholder. Any holder may waive notice of any meeting either before or after the meeting is held.

Irregularities in the notice or in the giving thereof as well as the accidental omission to give notice of any meeting to, or the non-receipt of any notice by, 1 or more holders of Class AA, Series D Shares, who shall not in the aggregate hold more than 10% of the issued and outstanding Class AA, Series D Shares, shall not invalidate any action taken at any meeting.

At any meeting of the holders of Class AA, Series D Shares each holder of such shares shall be entitled to 1 vote in respect of each such share held by him.

The formalities to be observed with respect to the giving of notice of any meeting of holders of Class AA, Series D Shares and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

6. CLASS AA PREFERENCE SHARES, SERIES E

The fifth series of Class AA preference shares of the Corporation shall consist of 2,000,000 Class AA preference shares which shall be designated as Floating Rate Class AA preference shares, Series E (hereinafter referred to as the "**Class AA, Series E Shares**") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class AA preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. **Consideration for Issue**

The consideration for the issue of each Class AA, Series E Share shall be $25.00.

2. **Dividends**

2.1 **Payment of Dividends**

Subject to the prior rights of the holders of the Class A preference shares and any other shares ranking senior to the Class AA preference shares, the holders of the Class AA, Series E 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 moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends as follows:

(a) an initial dividend (the "**Initial Dividend**") payable on September 30, 1984 (the "**Initial Dividend Payment Date**") in the amount per Class AA, Series E Share equal to the amount obtained when the Initial Dividend Rate (as defined in section 2.2) is multiplied by $25.00;

(b) dividends payable quarterly (the "**Quarterly Dividends**") on the last day of each of the months of March, June, September and December in each year (the "**Dividend Payment Dates**") commencing on December 31, 1984, each such Quarterly Dividend to be equal to the amount obtained when the applicable Quarterly Dividend Rate (as defined in section 2.2) is multiplied by $25.00.

In any case where dividends are payable for a period (the ''**Dividend Payment Period**") that ends on a date other than the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Class AA, Series E Share obtained when

(i) $25.00 multiplied by seventy percent (70%) of the Average Prime Rate for the period of ninety days ending on a date which is thirty days before the end of such Dividend Payment Period

is multiplied by

(ii) the result obtained when the number of days in such Dividend Payment Period is divided by 365.

Dividends shall accrue on a day-to-day basis.

2.2 **Definitions**

Where used in these share provisions, the following terms shall have the following meanings, respectively:

(a) "**Quarterly Dividend Rate**" means, in relation to any Dividend Payment Date, one-quarter of seventy percent (70%) of the Average Prime Rate for the three calendar months ending on the last day of the calendar month immediately preceding the month during which such Dividend Payment Date falls.

(b) "**Initial Dividend Rate**" means the result obtained when

(i) seventy percent (70%) of the Average Prime Rate for the period from and including the date of the initial issue of Class AA, Series E Shares (the "**Initial Issue Date**") to and including August 31, 1984

is multiplied by

(ii) the result obtained when the number of days in the period from and including the Initial Issue Date to and including the Initial Dividend Payment Date is divided by 365.

(c) "**Average Prime Rate**" means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period.

(d) "**Average Daily Prime Rate**" means, for any day, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Daily Prime Rates of the Banks on such day; provided that, if on such day, there shall be no Daily Prime Rate for one (but not both) of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other of such Banks, and further provided that if, on such day, there shall be no Daily Prime Rate for both of the Banks, the Average Daily Prime Rate for such day shall be 1.65% above the average yields at weekly tender on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for such day.

(e) "**Daily Prime Rate**" means, for either Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate.

(f) "**Banks**" means the Bank of Montreal and the Bank of Nova Scotia, collectively, and the term "**Bank**" means one of the Banks.

2.3 **Method of Payment**

Dividends (less any tax required to be withheld by the Corporation) on the Class AA, Series E Shares shall be paid by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the principal office in Toronto of the registrar for the Class AA, Series E Shares, or the payment by such other means as the Corporation deems desirable, on or before the date on which such dividend is to be paid to a holder of Class AA, Series E Shares shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation or payment by such other means if not received. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.4 **Cumulative Payment of Dividends**

If on any date on which dividends are to be paid the dividends accrued to such date are not paid in full on all of the Class AA, Series E Shares then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors of the Corporation on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Class

AA, Series E Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

3. **Redemption**

3.1 **Optional Redemption**

The Corporation may not redeem the Class AA, Series E Shares or any of them on or prior to June 30, 1989. After June 30, 1989 and subject to the provisions of Article 5 hereof, the Corporation may redeem at any time the whole or from time to time any part of the then outstanding Class AA, Series E Shares, on payment for each share to be redeemed of:

(a) $26.00 if the date fixed for redemption is on or prior to June 30, 1990;

(b) $25.75 if the date fixed for redemption is after June 30, 1990 and on or prior to June 30,1991;

(c) $25.50 if the date fixed for redemption is after June 30, 1991 and on or prior to June 30, 1992;

(d) $25.25 if the date fixed for redemption is after June 30, 1992 and on or prior to June 30, 1993; and

(e) $25.00 if the date fixed for redemption is after June 30, 1993;

together in each case with all accrued and unpaid dividends thereon up to the date fixed for redemption which, for greater certainty, shall include dividends calculated in accordance with section 2.1 hereof during the period from and including the immediately preceding Dividend Payment Date to but excluding the date fixed for redemption, the whole constituting and hereinafter referred to as the "**Redemption Price**".

3.2 **Partial Redemption**

In case a part only of the Class AA, Series E Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other manner as the directors of the Corporation, from time to time, so determine. If a part only of the Class AA, Series E Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 **Method of Redemption**

In any case of redemption of Class AA, Series E Shares, the Corporation shall not less than 30 days and not more than 60 days before the date specified for redemption send by prepaid mail or deliver to the registered address of each person who at the date of mailing or delivery is a registered holder of Class AA, Series E Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class AA, Series E Shares. Accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but upon such failure or omission being discovered notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of Class AA, Series E Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption and the place or places

within Canada at which holders of Class AA, Series E Shares may present and surrender such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class AA, Series E Shares to be redeemed the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Class AA, Series E shares called for redemption. Payment in respect of Class AA, Series E Shares being redeemed shall be made by cheque payable to the holders thereof in lawful money of Canada at part at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. From and after the date specified for redemption in any such notice of redemption, the Class AA, Series E Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.

The Corporation shall have the right at any time after the mailing or delivery of notice of its intention to redeem Class AA, Series E Shares to deposit the Redemption Price of the Class AA, Series E Shares so called for redemption, or of such of the Class AA, Series E Shares which are represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice or in a subsequent notice to the holders of the shares in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of Class AA, Series E Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class AA, Series E Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving, without interest, their proportionate part of the amount so deposited upon presentation and surrender of the certificate or certificates representing their Class AA, Series E Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of 6 years from the date specified for redemption shall be forfeited to the Corporation.

4. **Purchase for Cancellation**

The Corporation may at any time or from time to time purchase for cancellation all or any part of the outstanding Class AA, Series E Shares in the open market (including purchase through or from an investment dealer or a member of a recognized stock exchange) or by invitation for tenders addressed to all of the holders of record of Class AA, Series E Shares then outstanding, at the lowest price or prices at which, in the opinion of the directors of the Corporation, such shares are then obtainable but not exceeding a price per share (i) of $26.00 together with accrued and unpaid dividends thereon up to the date of purchase which, for greater certainty, shall include dividends calculated in accordance with section 2.1 hereof during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this Article 4, include the Initial Dividend Payment Date) to but excluding the date of purchase, if purchased at any time on or prior to June 30, 1989; or (ii) equal to the applicable Redemption Price if purchased at any other time; as the case maybe, plus, in all cases, reasonable costs of purchase. If, in response to an invitation for tenders under the provisions of this Article 4, more Class AA, Series E Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is prepared to purchase, then the Class AA, Series E Shares to be purchased by the Corporation shall be purchased as

nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Corporation, provided that when shares are tendered at different prices, the pro rating shall be effected only with respect to the shares tendered at the price at which more shares were tendered than the Corporation is prepared to purchase after the Corporation has purchased all the shares tendered at lower prices.

5. **Voting Rights**

The holders of the Class AA, Series E Shares shall not be entitled (except as specifically provided by law, by the provisions attaching to the Class AA preference shares as a class or as otherwise provided herein) to receive notice of or to attend or to vote at any meetings of shareholders of the Corporation.

6. **Liquidation, Dissolution or Winding Up**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Class AA, Series E Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Class AA, Series E Share held by them respectively, plus an amount equal to all accrued and unpaid dividends thereon up to the date of payment which, for greater certainty, shall include dividends calculated in accordance with section 2.1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this Article 6, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid to, or assets of the Corporation distributed amongst the holders of any other shares of the Corporation ranking as to capital junior to the Class AA, Series E Shares. After payment to the holders of the Class AA, Series E 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.

7. **Interpretation**

In the event that any date on which any dividend on the Class AA, Series E Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a business day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day.

For the purposes of these share provisions:

(a) "**business day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking as to capital or dividends junior to the Class AA, Series E Shares; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Mail Service Interruption**

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any

cheque or any share certificate to the holder of any Class AA, Series E Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in Toronto and such notice shall be deemed to have been validly given on the day next succeeding its publication in Toronto; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder in the city of Toronto, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofor delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

9. **Amendment**

The rights, privileges, restrictions and conditions attached to the Class AA, Series E Shares may be added to, changed or removed by Articles of Amendment but only with the prior approval of the holders of the Class AA, Series E Shares given as hereinafter specified in addition to any vote or authorization required by law.

10. **Approval of Holders of Class AA, Series E shares**

Any approval of the holders of the Class AA, Series E Shares with respect to any and all matters referred to herein or of any other matter requiring the consent of the holders of the Class AA, Series E Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Class AA, Series E Shares or passed by the affirmative vote of at least 66-2/3% of the votes cast by the holders of Class AA, Series E Shares who voted in respect of that resolution at a meeting of the holders of the Class AA, Series E Shares duly called for that purpose. The quorum requirement for, the proxy rules applicable to, and the formalities to be observed in respect of the giving notice of, the formalities to be observed in respect of the conduct of, any such meeting or any adjourned meeting shall be those from time to time prescribed by the bylaws of the Corporation with respect to meetings of shareholders, or if not so prescribed, as required by the *Canada Business Corporations Act*. On every poll taken at every meeting of holders of Class AA, Series E Shares, each holder of Class AA, Series E Shares entitled to vote thereat shall have one vote in respect of each Class AA, Series E Share held.

EXHIBIT III

1. CLASS AAA PREFERENCE SHARES

The unlimited number of Class AAA preference shares without par value (the "**Class AAA preference shares**"), issuable in series, which shall, as a class, have attached thereto the following rights, privileges, restrictions and conditions:

1. The Class AAA preference shares shall, as to the payment of dividends and return of capital in the event of liquidation, dissolution or winding up of the Corporation, rank junior to the Class A preference shares without par value (the "**Class A preference shares**") and to the Class AA preference shares without par value (the "**Class AA preference Shares**") and senior to the common shares without par value (the "**common shares**") and all other shares ranking in such regard junior to the Class AAA preference shares and shall be subject to the rights, privileges, restrictions and conditions attaching to the Class A preference shares and to the Class AA preference shares;

2. The directors of the Corporation may from time to time issue Class AAA preference shares in one or more series, each series to consist of such number of shares as shall before issuance thereof be fixed by the directors who (subject as herein provided) shall at the same time determine the designation, rights, restrictions and conditions attaching to the Class AAA preference shares of such series including, without limiting the generality of the foregoing, the rate of preferential dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption (if any), the conversion rights (if any), the participation rights (if any) and any sinking fund, purchase fund or other provisions attaching to the Class AAA preference shares of such series, the whole subject to the issuance of a certificate of amendment;

3. Subject to the *Canada Business Corporations Act*, the holders of the Class AAA preference shares or of a series thereof shall not be entitled as holders of such class or series to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting except that votes may be granted to a series of Class AAA preference shares when dividends are in arrears on any one or more series; such voting rights, if any, will be determined by the applicable series provisions;

4. The approval of the holders of the Class AAA preference shares as to any and all matters to be approved by a separate vote of the holders of Class AAA preference shares may be given by special resolution signed by all the holders of Class AAA preference shares or passed at a meeting of the holders of Class AAA preference shares duly called and held upon at least 21 days' notice at which the matter in question is carried by the affirmative votes of the holders of not less than 2/3 of the Class AAA preference shares represented and voted at such meeting cast on a poll; the formalities to be observed with respect to the giving of notice of any such meeting and the conduct thereof shall be those from time to time described in the by-laws of the Corporation with respect to meetings of shareholders; on every poll taken at every such meeting, each holder of Class AAA preference shares shall be entitled to one vote in respect of each Class AAA preference share held.

2. CLASS AAA PREFERENCE SHARES SERIES A

The first series of Class AAA preference shares of the Corporation shall consist of nil Class AAA preference shares which shall be designated as Class AAA preference shares Series A (hereinafter referred to as the "**Series A Shares**") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class AAA preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. **Consideration for Issue**

The consideration for the issue of each Series A Share shall be $25.00.

2. **Dividends**

2.1 **Payment of Dividends**

The holders of the Series A Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, a fixed cumulative preferential cash dividend of $2.25 per share per annum, payable in equal quarterly amounts in lawful money of Canada, on the last day of each of the months of March, June, September and December in each year (the "**Dividend Payment Dates**").

Subject to the immediately preceding paragraph, the amount of the dividend for any period which is less than a full quarter year with respect to any Series A Share:

(a) which is issued, redeemed or purchased during a quarter; or

(b) where assets of the Corporation are distributed to the holders of the Series A Shares pursuant to Article 5 hereof during a quarter;

shall be equal to the amount calculated by multiplying $0.5625 by a fraction of which the numerator is the number of days in such quarter on which such share has been outstanding (including the date of issue or the Dividend Payment Date at the beginning of such quarter if such share was outstanding on that date and excluding the date of redemption, purchase or distribution or the Dividend Payment Date at the end of such quarter if such share was outstanding on that date) and the denominator is the number of days in such quarter (including the Dividend Payment Date at the beginning thereof and excluding the Dividend Payment Date at the end thereof).

2.2 **Method of Payment**

Cheques payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being shall be issued in respect of the dividends on the Series A Shares (less any tax required to be withheld by the Corporation). The mailing from the Corporation's registered office on or before any Dividend Payment Date of such a cheque to a holder of Series A Shares shall be deemed to be payment of the dividends represented thereby and payable on such Dividend Payment Date unless the cheque is not paid on presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 **Cumulative Payment of Dividends**

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

3. Redemption

3.1 Optional Redemption

Subject to the provisions of this Article 3 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Class AAA preference shares, the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Series A Shares, on payment for each share to be redeemed of $25.00, together with an amount equal to all dividends accrued and unpaid thereon up to the redemption date (the whole constituting and being hereinafter referred to as the "**Redemption Price**").

3.2 Partial Redemption

In case a part only of the Series A Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other manner as the directors of the Corporation, from time to time, so determine. If a part only of the Series A Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 Method of Redemption

In any case of redemption of Series A Shares, the Corporation shall at least 30 days before the date specified for redemption send by prepaid mail or deliver to each person who at the date of mailing or delivery is a registered holder of Series A Shares to be redeemed, a notice in writing of the intention of the Corporation to redeem such Series A Shares. Such notice shall be mailed or delivered to each holder of Series A Shares to be redeemed at the last address of such shareholder as it appears on the books of the Corporation, or in the event of the address of any such shareholder not so appearing, then to the address of such shareholder last known to the Corporation; provided that, accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but upon such failure or omission being discovered notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of Series A Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption, and the place or places within Canada at which holders of Series A Shares may present and surrender such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series A Shares to be redeemed the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series A Shares called for redemption. Payment in respect of Series A Shares being redeemed shall be made by cheques payable to the holders thereof in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The Corporation shall have the right at any time after the mailing or delivery of notice of its intention to redeem Series A Shares to deposit the Redemption Price of the Series A Shares so called for redemption, or of such of the Series A Shares which are represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada named in such notice or in a subsequent notice to the holders of the shares in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of Series A Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, 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 the holders thereof shall be limited to receiving, without interest, the Redemption Price of such Series A Shares upon presentation and surrender of the certificate or certificates representing their Series A Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

From and after the date specified for redemption in any such notice of redemption, the Series A Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Redemption moneys which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of 6 years from the date specified for redemption shall be forfeited to the Corporation.

4. **Voting Rights**

Subject to the *Canada Business Corporations Act*, the holders of the Series A Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting other than a meeting of holders of Series A Shares.

5. **Liquidation, Dissolution or Winding Up**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series A Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Series A Share held by them respectively, plus an amount equal to all dividends accrued and unpaid thereon up to the date of payment, the whole before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of shares of any class of the Corporation ranking as to capital junior to the Series A Shares. After 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.

6. **General**

Without limiting the rights, privileges, restrictions and conditions herein set forth, the Series A Shares may be used at any time to purchase common shares of the Corporation and if tendered as payment for common shares the value attached to each Series A Share shall be the value of such share as determined by the directors of the Corporation at the time of each such purchase.

7. **Interpretation**

In the event that any date on which any dividend on the Series A Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a business day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding date that is a business day.

For the purpose of these share provisions:

(a) "**business day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking junior to the Series A Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Amendment**

The rights, privileges, restrictions and conditions attached to the Series A Shares may be added to, changed or removed by Articles of Amendment, but only with the prior approval of the holders of the Series A Shares given as hereinafter specified in addition to any vote or authorization required by law.

9. **Approval of Holders**

Any approval of the holders of the Series A Shares with respect to any and all matters referred to herein or of any other matters requiring the consent of the holders of the Series A Shares may be given by special resolution signed by all the holders of Series A Shares or passed at meeting of the holders of Series A Shares duly called and held at least 21 days' notice at which the matter in question is carried by the affirmative votes of the holders of not less than 2/3 of the Series A Shares represented and voted at such meeting cast on a poll. The formalities to be observed with respect to the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting each holder of Series A shares shall be entitled to one vote in respect of each Series A Share held by him.

3. CLASS AAA PREFERENCE SHARES SERIES B

The second series of Class AAA preference shares of the Corporation shall consist of nil Class AAA preference shares which shall be designated as Class AAA preference shares Series B (hereinafter referred to as the "**Series B Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. **Consideration for Issue**

The consideration for the issue of each Series B Share shall be $25.00.

2. **Dividends**

2.1 **Payment of Dividends**

The holders of the Series B Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable

to the payment of dividends, a fixed cumulative preferential cash dividend of $2.25 per share per annum, payable in equal quarterly amounts in lawful money of Canada, on the last day of each of the months of January, April, July and October in each year (the "**Dividend Dates**").

Subject to the immediately preceding paragraph, the amount of the dividend for any period which is less than a full quarter year with respect to any Series B Shares:

(a) which is issued, redeemed or purchased during a quarter; or

(b) where assets of the Corporation are distributed to the holders of the Series B Shares pursuant to Article 6 hereof during a quarter;

shall be equal to the amount calculated by multiplying $0.5625 by a fraction of which the numerator is the number of days in such quarter during which such share has been outstanding (including the day at the beginning of such period and excluding the day at the end of such period) and the denominator is the number of days in such quarter (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof).

2.2 **Method of Payment**

Cheques payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being shall be issued in respect of the dividends on the Series B Shares (less any tax required to be withheld by the Corporation). The mailing from the Corporation's registered office on or before any Dividend Payment Date of such a cheque to a holder of Series B Shares shall be deemed to be payment of the dividends represented thereby and payable on such Dividend Payment Date unless the cheque is not paid upon presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 **Cumulative Payment of Dividends**

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

3. **Redemption**

3.1 **Optional Redemption**

Subject to the provisions of this Article 3 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Class AAA preference shares, the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Series B Shares, on payment for each share to be redeemed of $25.00, together with an amount equal to all dividends accrued and unpaid thereon up to the redemption date (the whole constituting and being hereafter referred to as the "**Redemption Price**").

3.2 **Partial Redemption**

In case a part only of the Series B Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other manner as the directors of the Corporation, from time to time, so determine. If a part only of the Series B Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 **Method of Redemption**

In any case of redemption of Series B Shares, the Corporation shall at least 30 days before the date specified for redemption send by prepaid mail or deliver to each person who at the date of mailing or delivery is a registered holder of Series B Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series B Shares. Such notice shall be mailed or delivered to each holder of Series B Shares to be redeemed at the last address of such shareholder as it appears on the books of the Corporation, or in the event of the address of any such shareholder not so appearing, then to the address of such shareholder last known to the Corporation; provided that accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of Series B Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption, and the place or places within Canada at which such holders of Series B Shares may present and surrender such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series B Shares to be redeemed the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series B Shares called for redemption. Payment in respect of Series B Shares being redeemed shall be made by cheques payable to the holders thereof in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

The Corporation shall have the right at any time after the mailing or delivery of notice of its intention to redeem Series B Shares to deposit the Redemption Price of the Series B Shares so called for redemption, or of such of the Series B Shares which are represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada named in such notice or in a subsequent notice to the holders of the shares in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of Series B Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series B Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving, without interest, the Redemption Price of such Series B Shares upon presentation and surrender of the certificate or certificates representing their Series B Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

From and after the date specified for redemption in any such notice of redemption, the Series B Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the share certificates in accordance with the foregoing provisions, in which case the rights of

the holders shall remain unaffected. Redemption moneys which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit in a special account as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Exchange Right

4.1 Right to Exchange

Subject to the provisions of this Article 4 and to the receipt by the Corporation of all necessary regulatory approvals, the holders of Series B Shares shall have the right (the "**Exchange Right**"). on each date on which a closing (a "**Closing**") occurs of

(a) a distribution (a "**Public Offering**") by the Corporation of its common shares pursuant to a prospectus or other similar document ("**prospectus**") filed with any appropriate securities regulatory agency or stock exchange;

(b) a rights offering (a "**Rights Offering**") by the Corporation; or

(c) a private placement (a "**Private Placement**") by the Corporation;

to exchange Series B Shares held by them for up to the aggregate number of common shares of the Corporation set forth in section 4.2 below at the Exchange Rate determined in accordance with section 4.8 below.

For the purpose of this Article 4, "**common shares**" means the common shares in the capital of the Corporation as such shares were constituted on July 24, 1992 and includes shares of any other class of shares of the Corporation (i) resulting from the reclassification or change of the common shares, or (ii) which carry a residual right to participate to an unlimited degree in the Corporation's earnings and in its assets on liquidation, dissolution or winding-up.

4.2 Number of Common Shares to which the Exchange Right Relates

For so long as Hees International Bancorp Inc. ("**Hees**") shall be the holder of the Series B Shares, the maximum number of common shares for which Hees may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then held directly or indirectly by Hees and Carena Holdings Inc. ("**CHI**") will result in Hees and CHI, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same aggregate percentage of the outstanding common shares that Hees and CHI held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

From and after the date on which Hees shall cease to be the holder of the Series B Shares, the maximum number of common shares for which a holder of Series B Shares may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then held directly or indirectly by such holder will result in such holder, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same percentage of the outstanding common shares that such holder held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

Nothing in this section 4.2 shall require Hees or any other holder of Series B Shares to exchange Series B Shares for the maximum number of common shares (or any lesser number thereof) to which Hees or such holder is otherwise entitled.

4.3 **Exercise of Right to Exchange**

The Exchange Right may be exercised by a holder of Series B Shares by notice in writing given to the Corporation on the business day immediately prior to the day on which a Closing occurs accompanied by the certificate or certificates representing the Series B Shares in respect of which the holder desires to exercise the Exchange Right. Such notice shall be signed by such holder or by a duly authorized agent and shall specify the number of Series B Shares that the holder desires to have exchanged. If less than all the Series B Shares represented by any certificate or certificates accompanying any notice are to be exchanged, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Series B Shares comprised in the certificate or certificates surrendered as aforesaid which are not to be exchanged. A holder of Series B Shares who has given a notice to the Corporation as herein provided shall be deemed to have become a holder of the number of common shares in respect of which the exchange right has been exercised on the day on which the Closing occurs.

4.4 **Entitlement to Dividends**

The registered holder of any Series B Share on the record date for any dividend payable on such share shall be entitled to such dividend notwithstanding that such share has been exchanged into common shares after such record date and before the payment date of such dividend, and the registered holder of a common share resulting from such exchange shall be entitled to rank equally per common share with the registered holders of all other common shares of record on any date on or after the date of such exchange.

Subject to the foregoing, upon exchange of any Series B Shares there shall be no adjustment by the Corporation or by any holder of Series B Shares on account of any dividends either on the Series B Shares so exchanged or on the common shares resulting from such exchange.

4.5 **Shares called for Redemption**

In the case of any Series B Shares which are called for redemption, the Exchange Right thereof shall, notwithstanding anything herein contained, terminate at the close of business on the business day immediately preceding the date fixed for redemption, provided, however, that if the Corporation fails to redeem such Series B Shares in accordance with the notice of redemption the Exchange Right shall thereupon be restored and continue as if such Series B Shares had not been called for redemption.

4.6 **Certificates**

On any exchange of Series B Shares, the certificate or certificates representing the common shares of the Corporation resulting therefrom shall be issued at the expense of the Corporation in the name of the holder of the Series B Shares exchanged or in such nominee name or names as such holder may direct in writing (either in the notice referred to in section 4.3 or otherwise) provided that such holder shall pay any applicable security transfer taxes.

4.7 **No Fractional Shares**

The Corporation shall not issue fractional shares in satisfaction of the Exchange Right but in lieu thereof may, in respect of any fractional interest resulting from the exercise of the Exchange Right, pay a cash adjustment by cheque payable in lawful money of Canada at par at any branch in Canada of the

Corporation's bankers for the time being. The amount of any cash adjustment shall equal the current market value of such fractional interest computed on the basis of the last board lot sale price (or average of the bid and asked prices if there were no sales) per share for the common shares that are the subject of the Public Offering, Rights Offering or Private Placement on the Toronto Stock Exchange (or, if such common shares are not then listed on the Toronto Stock Exchange, on such other stock exchange on which such common shares are listed as selected by the directors of the Corporation) on the business day immediately preceding the Closing. If such common shares are not listed on any stock exchange, their current market value shall be determined by the directors. If a cash adjustment is to be paid pursuant to the provisions of this section 4.7, the mailing from the Corporation's registered office to a holder of Series B Shares who has exercised the Exchange Right shall be deemed to be payment of the cash adjustment unless the cheque is not paid upon due presentation. Cash adjustments represented by cheques which have not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which the same became payable shall be forfeited to the Corporation.

4.8 **Exchange Rate**

The number of Series B Shares to be exchanged for each common share of the Corporation shall be equal to the Exchange Rate. The Exchange Rate is A divided by B, where A is the price per common share which would have been payable by a holder exercising the Exchange Right to acquire common shares of the Corporation in connection with the Public Offering, Rights Offering or Private Placement and B is $25.00.

4.9 **Disputes**

If any question at any time arises with respect to the determination of the number of common shares issuable by the Corporation pursuant to section 4.8, the right of a holder of Series B Shares to exercise the Exchange Right or with respect to the amount of any cash payment to be made in lieu of issuing a fractional share, such question shall be conclusively determined by the auditors from time to time of the Corporation and shall be binding upon the Corporation and all shareholders, transfer agents and registrars of Series B Shares and common shares. In making any such determination, the auditors will be entitled to rely on an opinion of legal counsel or other expert retained by them.

5. **Voting Rights**

Subject to the *Canada Business Corporations Act*, the holders of the Series B Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting other than a meeting of holders of Series B Shares.

6. **Liquidation, Dissolution or Winding Up**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series B Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Series B Share held by them respectively, plus an amount equal to all dividends accrued and unpaid thereon up to the date of payment the whole before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of shares of any class of the Corporation ranking as to capital junior to the Series B Shares. After payment to the holders of the Series B 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.

7. **Interpretation**

In the event that any date on which any dividend on the Series B Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation hereunder, is not a business day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding date that is a business day.

For the purpose of these share provisions:

(a) "**business day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking junior to the Series B Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Amendment**

The rights, privileges, restrictions and conditions attaching to the Series B Shares may be added to, changed or removed by Articles of Amendment, but only with the prior approval of the holders of the Series B Shares given as hereinafter specified in addition to any vote or authorization required by law.

9. **Approval of Holders**

Any approval of the holders of the Series B Shares with respect to any and all matters referred to herein or of any other matters requiring the consent of the holders of the Series B Shares may be given by special resolution signed by all the holders of Series B Shares or passed at a meeting of the holders of Series B Shares duly called and held on at least 21 days' notice at which the matter in question is carried by the affirmative votes of the holders of not less than two-thirds of the Series B Shares represented and voted at such meeting cast on a poll. The formalities to be observed with respect to the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting each holder of Series B Shares shall be entitled to one vote in respect of each Series B Share held.

4. CLASS AAA PREFERENCE SHARES SERIES C

The third series of Class AAA preference shares of the Corporation shall consist of nil Class AAA preference shares which shall be designated as Class AAA preference shares Series C (hereinafter referred to as the "**Series C Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. **Consideration for Issue**

The consideration for the issue of each Series C Share shall be $25.00.

2. **Dividends**

2.1 **Payment of Dividends**

The holders of the Series C Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, a fixed cumulative preferential cash dividend of $2.00 per share per annum, payable in equal quarterly amounts in lawful money of Canada, on the last day of each of the months of January, April, July and October in each year (the "**Dividend Dates**").

Subject to the immediately preceding paragraph, the amount of the dividend for any period which is less than a full quarter year with respect to any Series C Shares:

(a) which is issued, redeemed or purchased during a quarter; or

(b) where assets of the Corporation are distributed to the holders of the Series C Shares pursuant to Article 6 hereof during a quarter;

shall be equal to the amount calculated by multiplying $0.50 by a fraction of which the numerator is the number of days in such quarter during which such share has been outstanding (including the day at the beginning of such period and excluding the day at the end of such period) and the denominator is the number of days in such quarter (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof).

2.2 **Method of Payment**

Cheques payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being shall be issued in respect of the dividends on the Series C Shares (less any tax required to be withheld by the Corporation). The mailing from the Corporation's registered office on or before any Dividend Payment Date of such a cheque to a holder of Series C Shares shall be deemed to be payment of the dividends represented thereby and payable on such Dividend Payment Date unless the cheque is not paid upon presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 **Cumulative Payment of Dividends**

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

3. Redemption

3.1 Optional Redemption

Subject to the provisions of this Article 3 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Class AAA preference shares, the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Series C Shares, on payment for each share to be redeemed of $25.00, together with an amount equal to all dividends accrued and unpaid thereon up to the redemption date (the whole constituting and being hereafter referred to as the "**Redemption Price**").

3.2 Partial Redemption

In case a part only of the Series C Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other manner as the directors of the Corporation, from time to time, so determine. If a part only of the Series C Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 Method of Redemption

In any case of redemption of Series C Shares, the Corporation shall at least 30 days before the date specified for redemption send by prepaid mail or deliver to each person who at the date of mailing or delivery is a registered holder of Series C Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series C Shares. Such notice shall be mailed or delivered to each holder of Series C Shares to be redeemed at the last address of such shareholder as it appears on the books of the Corporation, or in the event of the address of any such shareholder not so appearing, then to the address of such shareholder last known to the Corporation; provided that accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of Series C Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption, and the place or places within Canada at which such holders of Series C Shares may present and surrender such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series C Shares to be redeemed, the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places within Canada specified in such notice of redemption of the certificate or certificates representing the Series C Shares called for redemption. Payment in respect of Series C Shares being redeemed shall be made by cheques payable to the holders thereof in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

The Corporation shall have the right at any time after the mailing or delivery of notice of its intention to redeem Series C Shares to deposit the Redemption Price of the Series C Shares so called for redemption, or of such of the Series C Shares which are represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada named in such notice or in a subsequent notice to the holders of the share in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of Series C Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon

the date specified for redemption in such notice, whichever is the later, the Series C Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving, without interest, the Redemption Price of such Series C Shares upon presentation and surrender of the certificate or certificates representing their Series C Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

From and after the date specified for redemption in any such notice of redemption, the Series C Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Redemption moneys which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit in a special account as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Exchange Right

4.1 Right to Exchange

Subject to the provisions of this Article 4 and to the receipt by the Corporation of all necessary regulatory approvals, the holders of Series C Shares shall have the right (the "**Exchange Right**"), on each date on which a closing (a "**Closing**") occurs of

(a) a distribution (a "**Public Offering**") by the Corporation of its common shares pursuant to a prospectus or other similar document ("**prospectus**") filed with any appropriate securities regulatory agency or stock exchange;

(b) a rights offering (a "**Rights Offering**") by the Corporation; or

(c) a private placement (a "**Private Placement**") by the Corporation;

to exchange Series C Shares held by them for up to the aggregate number of common shares of the Corporation set forth in section 4.2 below at the Exchange Rate determined in accordance with section 4.8 below.

For the purpose of this Article 4, "**common shares**" means the common shares in the capital of the Corporation as such shares were constituted on January 31,1994 and includes shares of any other class of shares of the Corporation (i) resulting from the reclassification or change of the common shares, or (ii) which carry a residual right to participate to an unlimited degree in the Corporation's earnings and in its assets on liquidation, dissolution or winding-up.

4.2 Number of Common Shares to which the Exchange Right Relates

For so long as Hees International Bancorp Inc. ("**Hees**") shall be the holder of the Series C Shares, the maximum number of common shares for which Hees may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then held directly or indirectly by Hees and Carena Holdings Inc. ("**CHI**") will result in Hees and CHI, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same aggregate percentage of the outstanding common shares that Hees and CHI held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

From and after the date on which Hees shall cease to be the holder of the Series C Shares, the maximum number of common shares for which a holder of Series C Shares may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then held directly or indirectly by such holder will result in such holder, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same percentage of the outstanding common shares that such holder held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

Nothing is this section 4.2 shall require Hees or any other holder of Series C Shares to exchange Series C Shares for the maximum number of common shares (or any lesser number thereof) to which Hees or such holder is otherwise entitled.

4.3 **Exercise of Right to Exchange**

The Exchange Right may be exercised by a holder of Series C Shares by notice in writing given to the Corporation on the business day immediately prior to the day on which a Closing occurs accompanied by the certificate or certificates representing the Series C Shares in respect of which the holder desires to exercise the Exchange Right. Such notice shall be signed by such holder or by a duly authorized agent and shall specify the number of Series C Shares that the holder desires to have exchanged. If less than all the Series C Shares represented by any certificate or certificates accompanying any notice are to be exchanged, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Series C Shares comprised in the certificate or certificates surrendered as aforesaid which are not to be exchanged. A holder of Series C Shares who has given a notice to the Corporation as herein provided shall be deemed to have become a holder of the number of common shares in respect of which the exchange right has been exercised on the day on which the Closing occurs.

4.4 **Entitlement to Dividends**

The registered holder of any Series C Share on the record date for any dividend payable on such share shall be entitled to such dividend notwithstanding that such share has been exchanged into common shares after such record date and before the payment date of such dividend, and the registered holder of a common share resulting from such exchange shall be entitled to rank equally per common share with the registered holders of all other common shares of record on any date on or after the date of such exchange.

Subject to the foregoing, upon exchange of any Series C Shares there shall be no adjustment by the Corporation or by any holder of Series C Shares on account of any dividends either on the Series C Shares so exchanged or on the common shares resulting from such exchange.

4.5 **Shares called for Redemption**

In the case of any Series C Shares which are called for redemption, the Exchange Right thereof shall, notwithstanding anything herein contained, terminate at the close of business on the business day immediately preceding the date fixed for redemption, provided, however, that if the Corporation fails to redeem such Series C Shares in accordance with the notice of redemption the Exchange Right shall thereupon be restored and continue as if such Series C Shares had not been called for redemption.

4.6 **Certificates**

On any exchange of Series C Shares, the certificate or certificates representing the common shares of the Corporation resulting therefrom shall be issued at the expense of the Corporation in the name of the holder of the Series C Shares exchanged or in such nominee name or names as such holder may direct in writing

(either in the notice referred to in section 4.3 or otherwise) provided that such holder shall pay any applicable security transfer taxes.

4.7 **No Fractional Shares**

The Corporation shall not issue fractional shares in satisfaction of the Exchange Right but in lieu thereof may, in respect of any fractional interest resulting from the exercise of the Exchange Right, pay a cash adjustment by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being. The amount of any cash adjustment shall equal the current market value of such fractional interest computed on the basis of the last board lot sale price (or average of the bid and asked prices if there were no sales) per share for the common shares that are the subject of the Public Offering, Rights Offering or Private Placement on the Toronto Stock Exchange (or, if such common shares are not then listed on the Toronto Stock Exchange, on such other stock exchange on which such common shares are listed as selected by the directors of the Corporation) on the business day immediately preceding the Closing. If such common shares are not listed on any stock exchange, their current market value shall be determined by the directors. If a cash adjustment is to be paid pursuant to the provisions of this section 4.7, the mailing from the Corporation's registered office to a holder of Series C Shares who has exercised the Exchange Right shall be deemed to be payment of the cash adjustment unless the cheque is not paid upon due presentation. Cash adjustments represented by cheques which have not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which the same became payable shall be forfeited to the Corporation.

4.8 **Exchange Rate**

The number of Series C Shares to be exchanged for each common share of the Corporation shall be equal to the Exchange Rate. The Exchange Rate is A divided by B, where A is the price per common share which would have been payable by a holder exercising the Exchange Right to acquire to common shares of the Corporation in connection with the Public Offering, Rights Offering or Private Placement and B is $25.00.

4.9 **Disputes**

If any question at any time arises with respect to the determination of the number of common shares issuable by the Corporation pursuant to section 4.8, the right of a holder of Series C Shares to exercise the Exchange Right or with respect to the amount of any cash payment to be made in lieu of issuing a fractional share, such question shall be conclusively determined by the auditors from time to time of the Corporation and shall be binding upon the Corporation and all shareholders, transfer agents and registrars of Series C Shares and common shares. In making any such determination, the auditors will be entitled to rely on an opinion of legal counsel or other expert retained by them.

5. **Voting Rights**

Subject to the *Canada Business Corporations Act*, the holders of the Series C Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting other than a meeting of holders of Series C Shares.

6. **Liquidation, Dissolution or Winding Up**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series C Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Series C Share held by them respectively, plus an

amount equal to all dividends accrued and unpaid thereon up to the date of payment, the whole before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of shares of any class of the Corporation ranking as to capital junior to the Series C Shares. After payment to the holders of the Series C 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.

7. **Interpretation**

In the event that any date on which any dividend on the Series C Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation hereunder, is not a business day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding date that is a business day.

For the purpose of these share provisions:

(a) "**business day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking, junior to the Series C Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Amendment**

The rights, privileges, restrictions and conditions attaching to the Series C Shares may be added to, changed or removed by Articles of Amendment, but only with the prior approval of the holders of the Series C Shares given as hereinafter specified in addition to any vote or authorization required by law.

9. **Approval of Holders**

Any approval of the holders of the Series C Shares with respect to any and all matters referred to herein or of any other matters requiring the consent of the holders of the Series C Shares may be given by special resolution signed by all the holders of Series C Shares or passed at a meeting of the holders of Series C Shares duly called and held on at least 21 days' notice at which the matter in question is carried by the affirmative votes of the holders of not less than two-thirds of the Series C Shares represented and voted at such meeting cast on a poll. The formalities to be observed with respect to the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting each holder of Series C Shares shall be entitled to one vote in respect of each Series C Share held.

5. CLASS AAA PREFERENCE SHARES SERIES D

The fourth series of Class AAA preference shares of the Corporation shall consist of nil Class AAA preference shares which shall be designated as Class AAA preference shares, Series D (hereinafter referred to as the "**Series D Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series D Share shall be $25.00.

2. Dividends

2.1 Payment of Dividends

The holders of the Series D Shares shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, a fixed cumulative preferential cash dividend of $2.00 per share per annum, payable in equal quarterly amounts in lawful money of Canada, on the last day of each of the months of January, April, July and October in each year (the "**Dividend Payment Dates**").

Subject to the immediately preceding paragraph, the amount of the dividend for any period which is less than a full quarter year with respect to any Series D Shares:

(a) which is issued, redeemed or purchased during a quarter; or

(b) where assets of the Corporation are distributed to the holders of the Series D Shares pursuant to Article 6 hereof during a quarter;

shall be equal to the amount calculated by multiplying $0.50 by a fraction of which the numerator is the number of days in such quarter during which such share has been outstanding (including the day at the beginning of such period and excluding the day at the end of such period) and the denominator is the number of days in such quarter (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof).

2.2 Method of Payment

Cheques payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being shall be issued in respect of the dividends on the Series D Shares (less any tax required to be withheld by the Corporation). The mailing from the Corporation's registered office on or before any Dividend Payment Date of such a cheque to a holder of Series D Shares shall be deemed to be payment of the dividends represented thereby and payable on such Dividend Payment Date unless the cheque is not paid upon presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 Cumulative Payment of Dividends

If on any dividend Payment Date the dividends accrued to such date are not paid in full on all of the Series D Shares then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or

dates determined by the directors of the Corporation on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Series D Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

3. Redemption

3.1 Optional Redemption

Subject to the provisions of this Article 3 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Class AAA preference shares, the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Series D Shares, on payment for each share to be redeemed of $25.00, together with an amount equal to all dividends accrued and unpaid thereon up to the redemption date (the whole constituting and being hereafter referred to as the "**Redemption Price**").

3.2 Partial Redemption

In case a part only of the Series D Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other manner as the directors of the Corporation, from to time, so determine. If a part only of the Series D Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 Method of Redemption

In any case of redemption of Series D Shares, the Corporation shall at least 30 days before the date specified for redemption send by prepaid mail or deliver to each person who at the date of mailing or delivery is a registered holder of Series D Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series D Shares. Such notice shall be mailed or delivered to each holder of Series D Shares to be redeemed at the last address of such shareholder as it appears on the books of the Corporation, or in the event of the address of any such shareholder not so appearing, then to the address of such shareholder last known to the Corporation; provided that accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but upon such failure or omission being discovered notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the number of Series D Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption, and the place or places within Canada at which such holders of Series D Shares may present and surrender such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series D Shares to be redeemed, the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series D Shares called for redemption. Payment in respect of Series D Shares being redeemed shall be made by cheques payable to the holders thereof in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

The Corporation shall have the right at any time after the mailing or delivery of notice of its intention to redeem Series D Shares to deposit the Redemption Price of the Series D Shares so called for redemption, or of such of the Series D Shares which are represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a special account

in any chartered bank or any trust company in Canada named in such notice or in a subsequent notice to the holders of the shares in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of Series D Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series D Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving, without interest, the Redemption Price of such Series D Shares upon presentation and surrender of the certificate or certificates representing their Series D Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

From and after the date specified for redemption in any such notice of redemption, the Series D Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Redemption moneys which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit in a special account as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Exchange Right

4.1 Right to Exchange

Subject to the provisions of this Article 4 and to the receipt by the Corporation of all necessary regulatory approvals, the holders of Series D Shares shall have the right (the "**Exchange Right**"), on each date on which a closing (a "**Closing**") occurs of:

(a) a distribution (a "**Public Offering**") by the Corporation of its common shares pursuant to a prospectus or other similar document ("**prospectus**") filed with any appropriate securities regulatory agency or stock exchange;

(b) a rights offering (a "**Rights Offering**") by the Corporation; or

(c) a private placement (a "**Private Placement**") by the Corporation;

to exchange Series D Shares held by them for up to the aggregate number of common shares of the Corporation set forth in section 4.2 below at the Exchange Rate determined in accordance with section 4.8 below.

For the purpose of this Article 4, "**common shares**" means the common shares in the capital of the Corporation as such shares were constituted on July 24, 1992 and includes shares of any other class of shares of the Corporation (i) resulting from the reclassification or change of the common shares, or (ii) which carry a residual right to participate to an unlimited degree in the Corporation's earnings and in its assets on liquidation, dissolution or winding-up.

4.2 Number of Common Shares to which the Exchange Rate Relates

For so long as Hees International Bancorp Inc. ("**Hees**") shall be the holder of the Series D Shares, the maximum number of common shares for which Hees may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then

held directly or indirectly by Hees and Carena Holdings Inc. ("**CHI**'') will result in Hees and CHI, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same aggregate percentage of the outstanding, common shares that Hees and CHI held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

From and after the date on which Hees shall cease to be the holder of the Series D Shares, the maximum number of common shares for which a holder of Series D Shares may exercise the Exchange Right on the date of a Closing shall be equal to that number of common shares which, when added to the common shares then held directly or indirectly by such holder will result in such holder, after giving effect to the Closing and the exercise of the Exchange Right, holding directly or indirectly the same percentage of the outstanding common shares that such holder held directly or indirectly on the business day immediately preceding the day on which the Closing occurs.

Nothing in this section 4.2 shall require Hees or any other holder of Series D Shares to exchange Series D Shares for the maximum number of common shares (or any lesser number thereof) to which Hees or such holder is otherwise entitled.

4.3 **Exercise of Right to Exchange**

The Exchange Right may be exercised by a holder of Series D Shares by notice in writing given to the Corporation on or before the business day immediately prior to the day on which a Closing occurs, accompanied by the certificate or certificates representing the Series D Shares in respect of which the holder desires to exercise the Exchange Right. Such notice shall be signed by such holder or by a duly authorized agent and shall specify the number of Series D Shares that the holder desires to have exchanged. If less than all the Series D Shares represented by any certificate or certificate accompanying any notice are to be exchanged, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Series D Shares comprised in the certificate or certificates surrendered as aforesaid, which are not to be exchanged. A holder of Series D Shares who has given a notice to the Corporation as herein provided shall be deemed to have become a holder of the number of common shares in respect of which the Exchange Right has been exercised on the day on which the Closing occurs.

4.4 **Entitlement to Dividends**

The registered holder of any Series D Share on the record date for any dividend payable on such share shall be entitled to such dividend notwithstanding that such share has been exchanged into common shares after such record date and before the payment date of such dividend, and the registered holder of a common share resulting from such exchange shall be entitled to rank equally per common share with the registered holders of all other common shares of record on any date on or after the date of such exchange.

Subject to the foregoing, upon exchange of any Series D Shares there shall be no adjustment by the Corporation or by any holder of Series D Shares on account of any dividends either on the Series D Shares so exchanged or on the common shares resulting from such exchange.

4.5 **Shares Called for Redemption**

In the case of any Series D Shares which are called for redemption, the Exchange Right thereof shall, notwithstanding anything herein contained, terminate at the close of business on the business day immediately preceding the date fixed for redemption, provided, however, that if the Corporation fails to redeem such Series D Shares in accordance with the notice of redemption the Exchange Right shall thereupon be restored and continue as if such Series D Shares had not been called for redemption.

4.6 **Certificates**

On any exchange of Series D Shares, the certificate or certificates representing the common shares of the Corporation resulting therefrom shall be issued at the expense of the Corporation in the name of the holder of the Series D Shares exchanged or in such nominee name or names as such holder may direct in writing (either in the notice referred to in section 4.3 or otherwise) provided that such holder shall pay any applicable security transfer taxes.

4.7 **No Fractional Shares**

The Corporation shall not issue fractional shares in satisfaction of the Exchange Right but in lieu thereof may, in respect of any fractional interest resulting from the exercise of the Exchange Right, pay a cash adjustment by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being. The amount of any cash adjustment shall equal the current market value of such fractional interest computed on the basis of the last board lot sale price (or average of the bid and asked prices if there were no sales) per share for the common shares that are the subject of the Public Offering, Rights Offering or Private Placement on the Toronto Stock Exchange (or, if such common shares are not then listed on the Toronto Stock Exchange, on such other stock exchange on which such common shares are listed as selected by the directors of the Corporation) on the business day immediately preceding the Closing. If such common shares are not listed on any stock exchange, their current market value shall be determined by the directors. If a cash adjustment is to be paid pursuant to the provisions of this section 4.7, the mailing from the Corporation's registered office to a holder of Series D Shares who has exercised the Exchange Right shall be deemed to be payment of the cash adjustment unless the cheque is not paid upon due presentation. Cash adjustments represented by cheques which have not been presented to the Corporation' s bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which the same became payable shall be forfeited to the Corporation.

4.8 **Exchange Rate**

The number of Series D Shares to be exchanged for each common share of the Corporation shall be equal to the Exchange Rate. The Exchange Rate is A divided by B, where A is the price per common share which would have been payable by a holder exercising the Exchange Right to acquire common shares of the Corporation in connection with the Public Offering, Rights Offering or Private Placement and B is $25.00.

4.9 **Disputes**

If any question at any time arises with respect to the determination of the number of common shares issuable by the Corporation pursuant to section 4.8, the right of a holder of Series D Shares to exercise the Exchange Right or with respect to the amount of any cash payment to be made in lieu of issuing a fractional share, such question shall be conclusively determined by the auditors from time to time of the Corporation and shall be binding upon the Corporation and all shareholders, transfer agents and registrars of Series D Shares and common shares. In making any such determination, the auditors will be entitled to rely on an opinion of legal counsel or other expert retained by them.

5. **Voting Rights**

Subject to the *Canada Business Corporations Act*, the holders of the Series D Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting other than a meeting of holders of Series D Shares.

6. **Liquidation, Dissolution or Winding Up**

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series D Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Series D Share held by them respectively, plus an amount equal to all dividends accrued and unpaid thereon up to the date of payment, the whole before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of shares of any class of the Corporation ranking as to capital junior to the Series D Shares. After payment to the holders of the Series D 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.

7. **Interpretation**

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

For the purpose of these share provisions:

(a) "**business day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking junior to the Series D Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Amendment**

The rights, privileges, restrictions and conditions attaching to the Series D Shares may be added to, changed or removed by Articles of Amendment, but only with the prior approval of the holders of the Series D Shares given as hereinafter specified in addition to any vote or authorization required by law.

9. **Approval of Holders**

Any approval of the holders of the Series D Shares with respect to any and all matters referred to herein or of any other matters requiring the consent of the holders of the Series D Shares may be given by special resolution signed by all the holders of Series D Shares or passed at a meeting of the holders of Series D Shares duly called and held on at least 21 days' notice at which the matter in question is carried by the affirmative votes of the holders of not less than two-thirds of the Series D Shares represented and voted at such meeting cast on a poll. The formalities to be observed with respect to the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the

Corporation with respect to meetings of shareholders. On every poll taken at every such meeting each holder of Series D Shares shall be entitled to one vote in respect of each Series D Share held.

6. CLASS AAA PREFERENCE SHARES SERIES E

The fifth series of Class AAA preference shares of the Corporation shall consist of 12,000,000 preference shares which shall be designated as Class AAA preference shares, Series E (hereinafter referred to as the "**Series E Shares**") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class A preference shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration For Issue

The consideration for the issue of each Series E Preference Share shall be $25.00.

2. Dividends

2.1 Payment of Dividends

Holders of Series E Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends in lawful money of Canada at the Dividend Rate. Dividends on the Series E Shares shall accrue on a day-to-day basis from the date of issue thereof, shall be calculated from day-to-day on the basis of a 365-day or 366-day year, as the case may be, for the actual number of days elapsed, and shall be payable on the last day of March, June, September and December in each year (the "**Dividend Payment Dates**"). The amount of each such dividend shall be calculated by applying the Dividend Rate to the Amount Paid Up for the period from and including the last Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

For the purposes hereof, the following terms shall have the following meanings, respectively:

(a) "**Amount Paid Up**" means $25.00 plus such additional amount or amounts as may be deemed to be paid on each Series E Share pursuant to the provisions of paragraph 2.2 below:

(b) "**Average Prime Rate**" means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of the percent (0.01%) of the Daily Prime Rate for each business day during such period;

(c) "**Daily Prime Rate**" means, on any business day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Canadian Imperial Bank of Commerce (or, failing the establishment and announcement of such a reference rate by Canadian Imperial Bank of Commerce, the reference rate established and announced by The Toronto Dominion Bank) on such business day to determine the rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate; and

(d) "**Dividend Rate**" expressed on a per annum basis, with respect to the dividends payable on any Dividend Payment Date means seventy percent (70%) of the Average Prime Rate during the three calendar months ending on the last day of the calendar month immediately preceding the month during which the Dividend Payment Date occurs.

2.2 **Method of Payment**

Cheques payable in lawful money of Canada at any branch in Canada of the Corporation's bankers shall be issued in respect of the dividends on the Series E Shares (less any tax required to be withheld by the Corporation), provided that the Corporation and any particular holder of Series E Shares may agree on some other means for payment of dividends to such holder. The mailing from the Corporation's registered office on or before any Dividend Payment Date of such a cheque to a holder of Series E Shares shall be deemed to be payment of the dividends represented thereby and payable on such Dividend Payment Date unless the cheque is not paid upon presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 **Cumulative Payment of Dividends**

If, by reason of insolvency provisions of applicable law or for any other reason, on any Dividend Payment Date the dividends accrued to such dale are not paid in full on all of the Series E Shares then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the board of directors of the Corporation. The holders of the Series E Shares shall not be entitled to any dividends other than or in excess of the fixed cumulative preferential cash dividends herein provided for.

3. **Redemption**

3.1 **Optional Redemption**

Subject to the provisions of this Article 3 and Article 5 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series E Shares, the Corporation may, upon giving notice as hereinafter provided, redeem at any time all, or from time to time any part, of the then outstanding Series E Shares on payment for each share to be redeemed of $25.00, together with an amount equal to all dividends accrued and unpaid thereon up to the redemption date (the whole constituting and being herein referred to as the "**Redemption Price**").

3.2 **Partial Redemption**

In case a part only of the Series E Shares is to be redeemed at any time, the shares to be redeemed shall be selected by lot or some other random selection method as the board of directors of the Corporation in its sole discretion determines or in such other manner as the board of directors of the Corporation in its sole discretion determines to be equitable. If a part only of the Series E Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

3.3 **Method of Redemption**

In any case of redemption of Series E Shares, the Corporation shall, at least 30 days before the date specified for redemption, send by prepaid first class mail or deliver to each person who at the date of mailing or delivery is a holder of Series E Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series E Shares. Such notice shall be mailed or delivered to each holder of Series E Shares to be redeemed at the last address of such holder as it appears on the securities register of the Corporation, or in the event of the address of any such holder not so appearing, then to the last address of such holder known to the Corporation. Accidental failure or omission to give such notice to one or more holders shall not affect the validity of such redemption, but if such failure or omission is discovered notice as aforesaid shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due

time. Such notice shall set out the number of Series E Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the date specified for redemption, whether the Series E Shares are convertible into another series of preference shares at the date of the mailing of the notice and the place or places in Canada at which holders of Series E Shares may present and surrender the certificate or certificates representing such shares for redemption.

On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Series E Shares to be redeemed the Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or any other place or places in Canada specified in the notice of redemption, of the certificate or certificates representing the Series E Shares called for redemption. Payment in respect of Series E Shares being redeemed shall be made by cheque payable to the respective holders thereof in lawful money of Canada at any branch in Canada of the Corporation's bankers.

The Corporation shall have the right, at any time after the mailing or delivery of notice of its intention to redeem Series E Shares, to deposit the Redemption Price of the Series E Shares so called for redemption, or of such of the Series E Shares which are represented by certificates which have not, at the date of such deposit, been surrendered by the holders thereof in connection with such redemption, or which have not, at the date of such deposit, been surrendered by the holders thereof for conversion into another series of preference shares if the Series E Shares are convertible into another such series at that time in a separate account in any chartered bank or trust company in Canada named in the redemption notice or in a subsequent notice in writing to the holders of the Series E Shares in respect of which the deposit is made, to be paid without interest to or to the order of the respective holders of the Series E Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series E Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving, without interest, the Redemption Price of their respective Series E Shares being redeemed upon presentation and surrender of the certificate or certificates representing such shares. Any interest allowed on any such deposit shall belong to the Corporation.

From and after the date specified for redemption in any notice of redemption, the Series E Shares called for redemption shall cease to be entitled to dividends or any other participation in any distribution of the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation and surrender of the certificates representing such shares in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Redemption moneys which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit in a separate account as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. **Retraction Privilege**

4.1 **Right to Require Retraction**

The Series E Shares may be tendered at any time for retraction. In order to elect to have the Corporation redeem Series E Shares pursuant to this retraction privilege, a holder of Series E Shares must tender to the Corporation, at its registered office, the certificate or certificates representing the Series E Shares which the holder Wishes the Corporation to redeem together with a written notice (a "**Retraction Notice**") specifying the date (not less than 10 business days following the delivery of the Retraction Notice to the Corporation) upon which such Series E Shares are to be redeemed (the "**Retraction Date**").

4.2 **Retraction Procedure**

The Corporation shall redeem Series E Shares duly tendered pursuant to the above retraction privilege at a price equal to $25.00 per share, together with an amount equal to all dividends accrued and unpaid thereon up to the Retraction Date (the whole constituting and being herein referred to as the "**Retraction Price**"). Such tender shall be irrevocable unless payment of the Retraction Price shall not be duly made by the Corporation to the holder on or before the Retraction Date. In the event that payment of the Retraction Price is not made by the Corporation on or before the Retraction Date, the Corporation shall forthwith thereafter return the holder's deposited share certificate or certificates to the holder.

Subject to section 4.3 and Article 5, the Corporation shall redeem all the Series E Shares tendered pursuant to the above retraction privilege. If a holder of Series E Shares wishes to tender for redemption pursuant to the above retraction privilege a part only of the Series E Shares represented by any certificate or certificates, the holder may deposit the certificate or certificates and at the same time advise the Corporation in writing as to the number of Series E Shares with respect to which tender is being made, and the Corporation shall issue and deliver to such holder at the expense of the Corporation a new certificate representing the Series E Shares which are not being tendered.

The provisions of Article 3 shall apply to any redemption pursuant to this Article 4 except to the extent that such provisions are inconsistent with the provisions of this Article 4.

4.3 **Retraction Subject to Applicable Law**

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series E Shares, the Corporation is not permitted to redeem all of the Series E Shares duly tendered pursuant to the above retraction privilege, the Corporation shall redeem only the maximum number of Series E Shares (rounded to the next lower multiple of 1,000 shares) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. Such redemption shall be made pro rata, disregarding fractions of shares, from each holder of tendered Series E Shares according to the number of Series E Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder at the expense of the Corporation a new certificate representing the Series E Shares not redeemed by the Corporation.

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series E Shares, the Corporation fails to redeem all of the Series E Shares duly tendered pursuant to the above retraction privilege, then the Corporation shall redeem on each Dividend Payment Date thereafter, from Series E Shares tendered for redemption by the holders thereof on or before the 30th day preceding such Dividend Payment Date in the same manner as set forth in section 4.2, the lesser of (i) the number of Series E Shares so tendered, and (ii) the number of Series E Shares (rounded to the next lower multiple of 1,000 shares and selected pro rata, disregarding fractions of shares, from each holder of tendered Series E Shares according to the number of Series E Shares tendered by each such holder) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give any notice to the holders of Series E Shares in respect of the redemptions provided for in this paragraph.

So long as the board of directors of the Corporation has acted in good faith in making any of the determinations referred to above as to the number of Series E Shares which the Corporation is permitted at any time to redeem, neither the Corporation nor the directors shall have any liability in the event that any such determination proves to be inaccurate.

5. **Voting Rights**

Except as herein referred to or as required by law, the holders of the Series E Shares as a series shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

6. **Liquidation, Dissolution or Winding-Up**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series E Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 for each Series E Share held by them respectively, plus an amount equal to all dividends accrued and unpaid thereon up to the date of payment. After payment to the holders of the Series E 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.

7. **Interpretation**

In the event that any date on which any dividend on the Series E Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation or the holders of Series E Shares hereunder, is not a business day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding date that is a business day.

For the purpose of these share provisions:

(a) "**business day**" means a day other than Saturday, Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located;

(b) "**junior share**" means a share of the Corporation ranking junior to the Series E Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) "**ranking as to capital**" means ranking with respect to the distribution of assets in the event of a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

8. **Amendment**

The rights, privileges, restrictions and conditions attached to the Series E Shares may be added to, changed or removed by Articles of Amendment, but only with the approval of the holders of the Series E Shares given as hereinafter specified in addition to any vote or authorization required by law.

9. **Approval of Holders of the Series E Preference Shares**

The approval of the holders of the Series E Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Series E Shares as a series or in respect of any other matter requiring the consent of the holders of the Series E Shares may be given in such manner as may then be required by

law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Series E Shares or passed by the affirmative vote of at least 2/3 of the votes cast at a meeting of the holders of the Series E Shares duly called for that purpose.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders in the rights, privileges, restrictions and conditions attached to the Class AAA Preference Shares as a class, or if not so prescribed, as required by the *Canada Business Corporations Act* as in force at the time of the meeting or as otherwise required by law. On every poll taken at every meeting of holders of Series E Shares as a series, each holder of Series E Shares entitled to vote thereat shall have one vote in respect of each Series E Share held.

0. CLASS AAA PREFERENCE SHARES, SERIES F

The sixth series of Class AAA Preference Shares of the Corporation shall consist of nil Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series F (hereinafter referred to as the "**Series F Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series F Share shall be $25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series F Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period from and including the date of initial issue of the Series F Shares up to but excluding December 31, 2002 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 *Payment of Dividends*

Holders of Series F Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series F Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of $1.50 per Series F Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which

the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series F Dividends shall (except in case of redemption in which case payment of Series F Dividends shall be made on surrender of the certificate representing the Series F Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series F Dividends (less any tax required "to be deducted and .withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends 'as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series F Shares up to but excluding December 31, 2002 (the "**Initial Dividend Period**"), a dividend in an amount per Series F Share equal to the amount obtained (rounded to four decimal places) when $1.50 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series F Shares up to but excluding December 31, 2002 and the denominator of which is 365. The Series F Dividend payable for the Initial Dividend Period, payable as of December 31, 2002, as calculated by this method shall be $0.3986 per Series F Share; and

(b) in respect or any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series F Share equal to the amount obtained (rounded to four decimal places) when $1.50 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series F Shares prior to September 30, 2009. On or after this date, subject to the terms of any shares ranking prior to the Series F Shares, to applicable law and to the provisions described under Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series F Shares by the payment of an amount in cash for each such Series F Share so redeemed equal to:

(a) $25.75 if redeemed before September 30, 2010;

(b) $25.50 if redeemed on or after September 30, 2010, but before September 30, 2011;

(c) $25.25 if redeemed on or after September 30, 2011, but before September 30, 2012; and

(d) $25.00 if redeemed on Or after September 30, 2012;

in each case, together with all accrued and unpaid Series F Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series F Shares are at any time to be redeemed, then the particular Series F Shares to be redeemed shall be selected on a pro rata basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series F Shares to each person who at the date of giving such notice is the Holder of Series F Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series F Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series F Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series F Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series F Shares so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series F Shares called for redemption shall cease to be entitled to Series F Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid,

the Corporation shall have the right to deposit the Redemption Price of any or all Series F Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series F Shares

4.1 *Conversion at the Option of the Corporation*

The Series F Shares shall not be convertible at the option of the Corporation prior to September 30, 2009. On and after September 30, 2009, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series F Shares into that number of freely tradeable Common Shares (per Series F Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will not be issued on any conversion of Series F Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series F Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series F Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series F Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's**

Conversion Date"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series F Shares are at any time to be converted at the option of the Corporation, then the particular Series F Shares to be so converted shall be selected on a *pro rata* basis.

Series F Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series F Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after March 31, 2013, Holders, upon notice as hereinafter described, may convert al1 or any part of the then outstanding Series F Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series F Share) by dividing $25.00, together with all accrued and unpaid Series F Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of $2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series F Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series F Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series F Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series F Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series F Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series F Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series F Shares as herein provided shall cease and terminate in that event.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series F Shares 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 F Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series F Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series F Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of $2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series F Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series F Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series F Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series F Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved. in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series F Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to $25.00 plus all accrued and unpaid Series F Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series F Shares) on any shares of the Corporation ranking as to dividends junior to the Series F Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series F Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series F Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series F Shares then outstanding;

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or

otherwise pay off, retire or make any return of capital in respect of any Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series F Shares; or

(e) issue any additional Series F Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series F Shares;

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series F Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series F Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series F Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series F Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series F Share until all such arrears of Series F Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series F Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series F Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series F Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series F Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series F Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series F Share held.

10.2 ***Formalities, etc.***

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

11. Tax Election

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

12. Communications with Holders

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

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series F Shares pursuant to paragraph (b) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address. If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series F Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series F Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series F Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series F Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series F Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means common shares of the Corporation.

14. Book-Entry Only System

If the Series F Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series F Shares. Beneficial owners of Series F Shares will not have the right to receive share certificates representing their ownership of the shares.

8. CLASS AAA PREFERENCE SHARES, SERIES G

The seventh series of Class AAA Preference Shares of the Corporation shall consist of 6,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series G (hereinafter referred to as the "**Series G Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series G Share shall be US$25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series G Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period from and including the date of initial issue of the Series G Shares up to but excluding September 30, 2003 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 *Payment of Dividends*

Holders of Series G Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series G Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of US$1.3125 per Series G Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series G Dividends shall (except in case of redemption in which case payment of Series G Dividends shall be made on Surrender of the certificate representing the Series G Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series G Dividends (less any

tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series G Shares up to but excluding September 30, 2003 (the "**Initial Dividend Period**"), a dividend in an amount per Series G Share equal to the amount obtained (rounded to four decimal places) when US$1.3125 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series G Shares up to but excluding September 30, 2003 and the denominator of which is 365. The Series G Dividend payable for the Initial Dividend Period, payable as of September 30, 2003, as calculated by this method shall be US$0.39555 per Series G Share; and

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series G Share equal to the amount obtained (rounded to four decimal places) when US$1.3125 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series G Shares prior to June 30, 2011. On or after this date, subject to the terms of any shares ranking prior to the Series G Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided,

at its option, at any time redeem all, or from time to time any part, of the then outstanding Series G Shares by the payment of an amount in cash for each such Series G Share so redeemed equal to:

(a) US$26.00 if redeemed before June 30, 2012;

(b) US$25.67 if redeemed on or after June 30, 2012, but before June 30, 2013;

(c) US$25.33 if redeemed on or after June 30, 2013, but before June 30, 2014; and

(d) US$25.00 if redeemed on or after June 30, 2014;

in each case, together with all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series G Shares are at any time to be redeemed, then the particular Series G Shares to be redeemed shall be selected on a *pro rata* basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series G Shares to each person who at the date of giving such notice is the Holder of Series G Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series G Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series G Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series G Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series G Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series G Shares called for redemption shall cease to be entitled to Series G Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made, by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series G Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such

bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series G Shares

4.1 *Conversion at the Option of the Corporation*

The Series G Shares shall not be convertible at the option of the Corporation prior to June 30, 2011. On and after June 30, 2011, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series G Shares into that number of freely tradeable Common Shares (per Series G Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of US$2.00 and 95% of the weighted average trading price of the Common Shares on the New York Stock Exchange (or, if the Common Shares do not trade on the New York Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will net be issued on any conversion of Series G Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series G Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series G Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series G Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's Conversion Date**"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series G Shares are at any time to be converted at the option of the Corporation, then the particular Series G Shares to be so converted shall be selected on a *pro rata* basis.

Series G Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series G Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("**BPY**") shall have the overriding right (the "**Corporation Conversion Call Right**"), notwithstanding the proposed conversion of the Series G Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series G Shares to be converted into Common Shares (the "**Corporation Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series G Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of US$2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "**Corporation Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series G Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Corporation Conversion Call Notice**") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series G Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation

shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series G Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series G Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after September 30, 2015, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series G Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series G Share) by dividing US$25.00, together with all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of US$2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion. of Series G Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series G Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series G Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment

Date is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series G Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series G Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series G Shares as herein provided shall cease and terminate in that event.

4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "**Shareholder Conversion Call Right**"), notwithstanding the proposed Holder's conversion of the Series G Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "Shareholder Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series G Share) by dividing US$25.00, together with all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of US$2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "Holder Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series G Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Shareholder Conversion Call Notice**") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion

Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series G Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series G Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series G Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares 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 G Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable

Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series G Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series G Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of US$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series G Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series G Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series G Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series G Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to redeemed for cash or

purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to US$25.00 plus all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of the United States at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series G Shares) on any shares of the Corporation ranking as to dividends junior to the Series G Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series G Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series G Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series G Shares then outstanding;

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Class AAA

Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series G Shares; or

(e) issue any additional Series G Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series G Shares;

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series G Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series G Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series G Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series G Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series G Share until all such arrears of Series G Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series G Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series G Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series G Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series G Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series G Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series G Share held.

10.2 ***Formalities, etc.***

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series G Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series G Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series G Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series G Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series G Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

14. Book-Entry Only System

If the Series G Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series G Shares. Beneficial owners of Series G Shares will not have the right to receive share certificates representing their ownership of the shares.

9. CLASS AAA PREFERENCE SHARES, SERIES H

The eighth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series H (hereinafter referred to as the "**Series H Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series H Share shall be $25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series H Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period from and including the date of initial issue of the Series H Shares up to but excluding December 31, 2003 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 ***Payment of Dividends***

Holders of Series H Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series H Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of $1.4375 per Series H Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series H Dividends shall (except in case of redemption in which case payment of Series H Dividends shall be made on surrender of the certificate representing the Series H Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series H Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series H Shares up to but excluding December 31, 2003 (the "**Initial Dividend Period**"), a dividend in an amount per Series H Share equal to the amount obtained (rounded to four decimal places) when $1.4375 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series H Shares up to but excluding December 31, 2003 and the denominator of which is 365. The Series H Dividend payable for the Initial Dividend Period, payable as of September 30, 2003, as calculated by this method shall be $0.30325 per Series H Share; and

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series H Share equal to the amount obtained (rounded to four decimal places) when $1.4375 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series H Shares prior to December 31, 2011. On or after this date, subject to the terms of any shares ranking prior to the Series H Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series H Shares by the payment of an amount in cash for each such Series H Share so redeemed equal to:

(a) $26.00 if redeemed before December 31, 2012;

(b) $25.67 if redeemed on or after December 31, 2012, but before December 31, 2013;

(c) $25.33 if redeemed on or after December 31, 2013, but before December 31, 2014; and

(d) $25.00 if redeemed on or after December 31, 2014;

in each case, together with all accrued and unpaid Series H Dividends (far greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series H Shares are at any time to be redeemed, then the particular Series H Shares to be redeemed shall be selected on a *pro rata* basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series H Shares to each person who at the date of giving such notice is the Holder of Series H Shares to be redeemed. Any such notice shall be validly end effectively given on the date on which it is sent to each Holder of Series H Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series H Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and. withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series H Shams so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series H Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series H Shares called for redemption shall cease to be entitled to Series H Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be

deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series H Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series H Shares

4.1 *Conversion at the Option of the Corporation*

The Series H Shares shall not be convertible at the option of the Corporation prior to December 31, 2011. On and after December 31, 2011, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series H Shares into that number of freely tradeable Common Shares (per Series H Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will not be issued on any conversion of Series H Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series H Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series H Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series H Shares held by such Holder

that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's Conversion Date**"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series H Shares are at any time to be converted at the option of the Corporation, then the particular Series H Shares to be so converted shall be selected on a *pro rata* basis.

Series H Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series H Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("**BPY**") shall have the overriding right (the "**Corporation Conversion Call Right**"), notwithstanding the proposed conversion of the Series H Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series H Shares to be converted into Common Shares (the "**Corporation Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series H Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "**Corporation Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series H Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Corporation Conversion Call Notice**") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been

so deposited with the transfer agent for the Series H Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series H Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series H Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2015, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series H Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series H Share) by dividing $25.00, together with all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of $2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series H Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series H Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares

upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series H Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series H Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series H Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series H Shares as herein provided shall cease and terminate in that event.

4.2.1. BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "**Shareholder Conversion Call Right**"), notwithstanding the proposed Holder's conversion of the Series H Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "**Shareholder Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series H Share) by dividing $25.00, together with all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of $2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "**Holder Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series H Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Shareholder Conversion Call Notice**") at least five business days prior to the Holder's Conversion

Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series H Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series H Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series H Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares 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 H Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series H Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series H Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of $2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series H Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series H Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series H Share on the record data for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series H Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the

Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and. surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to $25.00 plus all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series H Shares) on any shares of the Corporation ranking as to dividends junior to the Series H Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return a capital and dividends junior to the Series H Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series H Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series H Shares then outstanding;

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

(e) issue any additional Series H Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series H Shares;

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series H Shares outstanding from time to time, in in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series H Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series H Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series H Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series H Share until all such arrears of Series H Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series H Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series H Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that propose and at which the Holders of a majority of the outstanding Series H Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series H Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned: to such date not less than 15 days thereafter and to such time and plane 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(s) of Series H Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series H Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice,

invitation for tenders or other communication to one or more Holders of the Series H Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

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

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

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series H Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series H Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series H Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series H Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series H Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then

such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

14. Book-Entry Only System

If the Series H Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series H Shares. Beneficial owners of Series H Shares will not have the right to receive share certificates representing their ownership of the shares.

10. CLASS AAA PREFERENCE SHARES, SERIES I

The ninth series of Class AAA Preference Shares of the Corporation shall consist of nil Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series I (hereinafter referred to as the "**Series I Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series I Share shall be $25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series I Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period from and including the date of initial issue of the Series I Shares up to but excluding March 31, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 ***Payment of Dividends***

Holders of Series I Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series I Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of $1.30 per Series I Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the

amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series I Dividends shall (except in case of redemption in which case payment of Series I Dividends shall be made on surrender of the certificate representing the Series I Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series I Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the. date of initial issue of the Series I Shares up to but excluding March 31, 2004 (the "**Initial Dividend Period**"), a dividend in an amount per Series I Share equal to the amount obtained (rounded to four decimal places) when $1.30 is divided by four. The Series I Dividend payable for the Initial Dividend Period, payable as of March 31, 2004, as calculated by this method shall be $0.3250 per Series I Share; and

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series I Share equal to the amount obtained (rounded to four decimal places) when $1.30 divided by four and then multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such quarter falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series I Shares prior to December 31, 2008. On or after this date, subject to the terms of any shares ranking prior to the Series I Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series I Shares by the payment of an amount in cash for each such Series I Share so redeemed equal to:

(a) $25.75 if redeemed before December 31, 2009;

(b) $25.50 if redeemed on or after December 31, 2009, but before December 31, 2010; and

(c) $25.00 if redeemed on or after December 31, 2010;

in each case, together with all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series I Shares are at any time to be redeemed, then the particular Series I Shares to be redeemed shall be selected on a *pro rata* basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem. such Series I Shares to each person who at the date of giving such notice is the Holder of Series I Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series I Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series I Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series I Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable a, par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series I Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series I Shares called for redemption shall cease to be entitled to Series I Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have

the right to deposit the Redemption Price of any or all Series I Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years film the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series I Shares

4.1 *Conversion at the Option of the Corporation*

The Series I Shares shall not be convertible at the option of the Corporation prior to December 31, 2008. On and after December 31, 2008, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series I Shares into that number of freely tradeable Common Shares (per Series I Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date)up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the weighted average trading price of, the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will not be issued on any conversion of Series I Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series I Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series I Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series I Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's**

Conversion Date"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series I Shares are at any time to be converted at the option of the Corporation, then the particular Series I Shares to be so converted shall be selected on a *pro rata* basis.

Series I Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series I Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2010, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series I Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series I Share) by dividing $25.00, together with all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of $2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series I Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series I Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated far. all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series I Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series I Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date: is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series I Shares into Common Shares, the Corporation. is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series I Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series I Shares as herein provided shall cease and terminate in that event.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at, the head office of the Corporation, the principal transfer office of the transfer agent for the Series I Shares 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 I Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series I Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series I Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of $2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series I Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series I Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series I Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series I Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on. that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series I Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to $25.00 plus all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and- each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares. and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount. represented by such cheque (plus any tax required to be and in fact deducted andwithheld.by the Corporation from the related redemption or purchase amount or cash in lieu of a. fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series I Shares) on any shares of the Corporation ranking as to dividends junior to the Series I Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series I Shares, redeem or call for redemption, purchase or otherwise pay off retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series I Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series I Shares then outstanding;

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or

otherwise pay off, retire or make any return of capital in respect of any Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series I Shares; or

(e) issue any additional Series I Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series I Shares;

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series I Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series I Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series I Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series I Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series I Share until all such arrears of Series I Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series I Shares as ,a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series I Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series I Shares, are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series I Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series I Shares represented in Person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series I Share held.

10.2 ***Formalities, etc.***

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series I Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such, cheque and/or share certificate shall be deemed to have been. sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series I Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series I Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series I Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series I Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is, a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means common shares of the Corporation.

14. Book-Entry Only System

If the Series I Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series I Shares. Beneficial owners of Series I Shares will not have the right to receive share certificates representing their ownership of the shares.

11. CLASS AAA PREFERENCE SHARES, SERIES J

The tenth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series J (hereinafter referred to as the "**Series J Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series J Share shall be $25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series J Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period, from and including the date of initial issue of the Series J Shares up to but excluding June 30, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 *Payment of Dividends*

Holders of Series J Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series J Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of $1.25 per Series J Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at my branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series J Dividends shall (except in case of redemption in which case payment of Series J Dividends shall be made on surrender of the certificate representing the Series J Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series J Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or; in the

case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series J Shares up to but excluding June 30, 2004 (the "**Initial Dividend Period**"), a dividend in an amount per Series J Share equal to the amount obtained (rounded to five decimal places) when $1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series J Shares up to but excluding June 30, 2004 and the denominator of which is 366. The Series J Dividend payable for the Initial Dividend Period, payable as of June 30, 2004, as calculated by this method shall be $0.20833 per Series J Share;

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series J Share equal to the amount obtained (rounded to five decimal places) when $1.25 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series J Shares prior to June 30, 2010. On or after this date, subject to the terms of any shares ranking prior to the Series J Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series J Shares by the payment of an amount in cash for each such Series J Share so redeemed equal to:

(a) $26.00 if redeemed before June 30, 2011;

(b) $25.75 if redeemed on or after June 30, 2011, but before June 30, 2012;

(c) $25.50 if redeemed on or after June 30, 2012, but before June 30, 2013

(d) $25.25 if redeemed on or after June 30, 2013, but before June 30, 2014; and

(e) $25.00 if redeemed on or after June 30, 2014;

in each case, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series J Shares are at any time to be redeemed, then the particular Series J Shares to be redeemed shall be selected on a *pro rata* basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series J Shares to each person who at the date of giving such notice is the Holder of Series J Shares to be redeemed. Any such notice shall be validly end effectively given on the date on which it is sent to each Holder of Series J Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series J Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series J Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series J Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series J Shares called for redemption shall cease to be entitled to Series J Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except ta receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series J Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any

shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series J Shares

4.1 *Conversion at the Option of the Corporation*

The Series J Shares shall not be convertible at the option of the Corporation prior to June 30, 2010. On and after June 30, 2010, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series J Shares into that number of freely tradeable Common Shares (per Series J Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will not be issued on any conversion of Series J Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series J Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series J Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series J Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's Conversion Date**"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Data.

If less than all of the then outstanding Series J Shares are at any time to be converted at the option of the Corporation, then the particular Series J Shares to be so converted shall be selected on a *pro rata* basis.

Series J Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series J Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("**BPY**") shall have the overriding right (the "**Corporation Conversion Call Right**"), notwithstanding the proposed conversion of the Series J Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series J Shares to be converted into Common Shares (the "**Corporation Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series J Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "**Corporation Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series J Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Corporation Conversion Call Notice") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series J Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series J Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series J Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2014, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series J Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series J Share) by dividing $25.00, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of $2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series J Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series J Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall he treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office. of the Corporation or the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series J Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series J Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series J Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series J Shares as herein provided shall cease and terminate in that event.

4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "**Shareholder Conversion Call Right**"), notwithstanding the proposed Holder's conversion of the Series J Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "**Shareholder Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series J Share) by dividing $25.00, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of $2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "**Holder Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series J Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Shareholder Conversion Call Notice**") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series J

Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series J Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series J Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares 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 J Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series J Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series J Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by

the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of $2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series J Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series J Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series J Share on the record data for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series J Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common. Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in. respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Data.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to $25.00 plus all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion. Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have

been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase, of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional Common Share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series J Shares) on any shares of the Corporation ranking as to dividends junior to the Series J Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return a capital and dividends junior to the Series J Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series J Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series J Shares then outstanding;

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise payoff, retire or make any return of capital in respect of any Class AAA Preference Shares, ranking is to the payment of dividends or return of capital on a parity with the Series J Shares; or

(e) issue any additional Series J Shares or any Shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series J Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series J Shares and on all

other shares of the Corporation ranking prior to or an a parity with the Series J Shares with respect to the payment of dividends have been declared paid or set apart for payment.

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series J Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series J Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series J Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series J Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series J Share until all such arrears of Series J Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series J Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series J Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution

at a meeting of the Holders duly called for that propose and at which the Holders of a majority of the outstanding Series J Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series J Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series J Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series J Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

If directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share

certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series J Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as, soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series J Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series J Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series J Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series J Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such ether action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

14. Book-Entry Only System

If the Series J Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series J

Shares. Beneficial owners of Series J Shares will not have the right to receive share certificates representing their ownership of the shares.

12. CLASS AAA PREFERENCE SHARES, SERIES K

The tenth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series K (hereinafter referred to as the "**Series K Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series K Share shall be $25.00.

2. Dividends

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

(a) "**Dividend Payment Date**" in respect of the dividends payable on the Series K Shares means the last day of each of March, June, September and December in each year.

(b) "**Dividend Period**" means the period from and including the date of initial issue of the Series K Shares up to but excluding December 31, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

2.1 *Payment of Dividends*

Holders of Series K Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the "**Series K Dividends**") payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of $1.30 per Series K Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

2.2 *Method of Payment*

Series K Dividends shall (except in case of redemption in which case payment of Series K Dividends shall be made on surrender of the certificate representing the Series K Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series K Dividends, (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the

proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series K Shares up to but excluding December 31, 2004 (the "**Initial Dividend Period**"), a dividend in an amount per Series K Share, equal to the amount obtained (rounded to five decimal places) where $1.30 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series K Shares up to but excluding December 31, 2004 and the denominator of which is 366. The Series K Dividend payable for the Initial Dividend Period, payable as of December 31, 2004, as calculated by this method shall be $0.24863 per Series K Share;

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series K Share equal to the amount obtained (rounded to five decimal places) when $1.30 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series K Shares prior to December 31, 2012. On or after this date, subject to the terms of any shares ranking prior to the Series K Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series K Shares by the payment of an amount in cash for each such Series K Share so redeemed equal to:

(a) $26.00 if redeemed before December 31, 2013;

(b) $25.67 if redeemed on or after December 31, 2013, but before December 31, 2014;

(c) $25.33 if redeemed on or after December 31, 2014, but before December 31, 2015;

(d) $25.00 if redeemed on or after December 31, 2015;

in each case, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series K Shares are at any time to be redeemed, then the particular Series K Shares to be redeemed shall be selected on a *pro rata* basis.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series K Shares to each person who at the date of giving such notice is the Holder of Series K Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series K Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series K Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series K Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series K Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series K Shares called for redemption shall cease to be entitled to Series K Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series K Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that

otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series K Shares

4.1 *Conversion at the Option of the Corporation*

The Series K Shares shall not be convertible at the option of the Corporation prior to December 31, 2012. On and after December 31, 2012, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series K Shares into that number of freely tradeable Common Shares (per Series K Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "**Current Market Price**"). Fractional Common Shares will not be issued on any conversion of Series K Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date so that the rights of the Holder of such Series K Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series K Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "**Corporation's Conversion Notice**") shall specify the number of Series K Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "**Corporation's Conversion Date**"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series K Shares are at any time to be converted at the option of the Corporation, then the particular Series K Shares to be so converted shall be selected on a *pro rata* basis.

Series K Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series K Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("**BPY**") shall have the overriding right (the "**Corporation Conversion Call Right**"), notwithstanding the proposed conversion of the Series K Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series K Shares to be converted into Common Shares (the "**Corporation Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series K Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of $2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "**Corporation Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series K Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Corporation Conversion Call Notice**") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series K Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series K Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for

the Series K Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.2 *Conversion at the Option of the Holder*

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2016, Holders, upon notice as hereinafter described, may convert all, or any part of, the then outstanding Series K Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series K Share) by dividing $25.00, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of $2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series K Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series K Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto (the "**Holder's Conversion Notice**"), which Holder's Conversion Notice shall specify the number of Series K Shares (the "**Subject Shares**") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "**Holder's Conversion Date**"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series K Shires into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom

the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series K Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series K Shares as herein provided shall cease and terminate in that event.

4.2.1. BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "**Shareholder Conversion Call Right**"), notwithstanding the proposed Holder's conversion of the Series K Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "**Shareholder Conversion Shares**") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series K Share) by dividing $25.00, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of $2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "**Holder Conversion Consideration**") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series K Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4. specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "**BPY Shareholder Conversion Call Notice**") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series K Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall

be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series K Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series K Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

4.3 *Delivery of Certificates Representing Common Shares*

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares 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 K Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series K Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series K Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of $2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series K Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series K Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series K Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series K Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Option of the Corporation*

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "**Substitute Purchaser**") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each Holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to $25.00 plus all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

4.5 *Payment by Cheque*

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series K Shares) on any shares of the Corporation ranking as to dividends junior to the Series K Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series K Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series K Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series K Shares then outstanding;

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

(e) issue any additional Series K Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series K Shares;

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series K Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors of the Corporation such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the Holders of Class AAA Preference Shares as a class and meetings of the holders of the Series K Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series K Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series K Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of Shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series K Share until all such arrears of Series K Dividends shall have been paid whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The provisions attaching to the Series K Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders of Series K Shares

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series K Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series K Shares are not present or represented by proxy within one-half hour

after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series K Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series K Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series K Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

13. Interpretation

In the provisions herein contained attaching to the Series K Shares:

(a) "**accrued and unpaid dividends**" means the aggregate of: (i) all unpaid dividends on the Series K Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series K Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any dividend on the Series K Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "**Common Shares**" means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

14. Book-Entry Only System

If the Series K Shares are held through the book-entry only system of the Canadian Depository for Securities ("**CDS**"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series K Shares. Beneficial owners of Series K Shares will not have the right to receive share certificates representing their ownership of the shares.

15. CLASS AAA PREFERENCE SHARES, SERIES L

The eleventh series of Class AAA Preference Shares of the Corporation shall consist of 11,500,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series L (hereinafter referred to as the "**Series L Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series L Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series L Dividends payable on the Series L Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series L Dividend will be payable December 31, 2009 and will be an amount in cash equal to $0.45308 per Series L Share. For greater certainty, no amount will be payable on September 30, 2009. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than September 30, 2009 and December 31, 2009) the Series L Dividend will be equal to $0.421875 per share.

(b) During each Subsequent Fixed Rate Period, Series L Dividends payable on the Series L Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series L Dividends shall (except in case of redemption or conversion in which case payment of Series L Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series L Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series L Dividends (less any tax required to be deducted and withheld

by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series L Shares up to and including December 31, 2009 (the "**Initial Dividend Period**"), a dividend in an amount per Series L Share equal to the amount obtained (rounded to five decimal places) where $1.6875 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series L Shares up to and including December 31, 2009 and the denominator of which is 365. The Series L Dividend payable for the Initial Dividend Period, payable as of December 31, 2009, as calculated by this method shall be $0.45308 per Series L Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series L Shares prior to September 30, 2014. On September 30, 2014 and on September 30 every five years thereafter (each, a "**Series L Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series L Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series L Shares by the payment of an amount in cash for each such Series L Share so redeemed equal to $25.00 per

Series L Share, together with all accrued and unpaid Series L Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series L Conversion Date of its intention to redeem such Series L Shares to each person who at the date of giving such notice is the Holder of Series L Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series L Shares to be redeemed in the manner provided for in Section 3.3. Such notice shall set out the number of such Series L Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series L Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series L Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series L Shares called for redemption shall cease to be entitled to Series L Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series L Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that

otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series L Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series L Conversion Date, to convert, all, or any part of, the then outstanding Series L Shares registered in the name of the Holder into Class AAA Preference Shares, Series M ("**Series M Shares**") on the basis of one (1) Series M Share for each Series L Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series L Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series L Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series L Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series L Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series M Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series L Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series L Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series M Shares on a Series L Conversion Date if the Corporation determines that there would remain outstanding on the Series L Conversion Date less than 1,000,000 Series M Shares after taking into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series L Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series L Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series L Shares, new certificates representing the Series L Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series L Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series L Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series L Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series L Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series L Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series L Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series L Shares into Series M Shares on the applicable Series L Conversion Date as provided for in Section 4.2, the Series L Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series L Conversion Date into Series M Shares and the Holders thereof shall be deemed to be holders of Series M Shares at 5:00 p.m. (Toronto time) on the Series L Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series L Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series M Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series L Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series L Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series M Shares and the number of remaining Series L Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series L Conversion Date, so that the rights of the Holder of such Series L Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series M Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series M Shares at such time.

(e) The Holder of any Series L Share on the record date for any Series L Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series M Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series M Shares upon the conversion of Series L Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series M Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series M Shares are issued in respect of the issuance of such Series M Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series L Shares*

All Series L Shares converted into Series M Shares on a Series L Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series L Conversion Date and available for issuance on the conversion of the Series M Shares.

4.5 *Right Not to Deliver Series M Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series M Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series L Shares) on any shares of the Corporation ranking as to dividends junior to the Series L Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series L Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series L Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series L Shares then outstanding; or

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

unless, in each such case, all accrued and unpaid dividends up to and including the Series L Dividend payable for the last completed Dividend Period and on all other shares of the Corporation ranking

prior to or on a parity with the Series L Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series L Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the Holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series L Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series L Share held. No other voting rights shall attach to the Series L Shares in any circumstances. Upon payment of the entire amount of all Series L Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

9. Modifications

These Series L share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the

outstanding Series L Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series L Shares are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series L Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series L Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or

any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

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

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.17%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series L Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including December 31, 2009 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.17% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent for the Series L Shares has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series L Shares or Series M Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 6.75% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including September 30, 2014.

"**Issue Date**" means the date on which Series L Shares are first issued.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2014 and ending on and including December 31, 2014, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series L Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series L Dividends**" has the meaning attributed to it in Section 2.1.

"**Series L Shares**" has the meaning attributed to it in the introductory paragraph to these Series L share provisions.

"**Series M Shares**" means the Class AAA Preference Shares, Series M.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2014 and ending on and including September 30, 2019 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series L Shares.

13.2 *Interpretation of Terms*

In these Series L share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series L Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series L Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series L Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence

of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series L share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

15. CLASS AAA PREFERENCE SHARES, SERIES M

Brookfield Properties Corporation (the "Corporation")

The twelfth series of Class AAA Preference Shares of the Corporation shall consist of 11,500,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series M (hereinafter referred to as the "**Series M Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series M Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series M Dividends will be in an annual amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series M Dividends shall (except in case of redemption or conversion in which case payment of Series M Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series M Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series M Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series M Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series M Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series M Shares prior to September 30, 2014. Thereafter, the Corporation may, subject to the terms of any share ranking prior to the Series M Shares, to applicable laws and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series M Shares by the payment of an amount in cash for each Series M Share so redeemed equal to (i) $25.00 in the case of redemptions on September 30, 2019 and on September 30 every five years thereafter (each a "**Series M Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series M Conversion Date after September 30, 2014, in each case including all accrued and unpaid Series M Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series M Conversion Date of its intention to redeem such Series M Shares to each person who at the date of giving such notice is the Holder of Series M Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series M Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series M Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series M Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series M Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in

fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series M Shares called for redemption shall cease to be entitled to Series M Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series M Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series M Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series M Conversion Date, to convert all, or any part of, the then outstanding Series M Shares registered in the name of the Holder into Class AAA Preference Shares, Series L ("**Series L Shares**") on the basis of one (1) Series L Share for each Series M Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series M Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series M Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series M Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series M Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series L Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series M Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series M Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series L Shares on a Series M Conversion Date if the Corporation determines that there would remain outstanding on the Series M Conversion Date less than 1,000,000 Series L Shares after taking into account all

Series M Shares tendered for conversion into Series L Shares and all Series L Shares tendered for conversion into Series M Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series M Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series M Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series M Shares new certificates representing the Series M Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series M Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series M Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series M Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series M Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series M Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series M Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series M Shares into Series L Shares on the applicable Series M Conversion Date as provided for in Section 4.2, the Series M Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series M Conversion Date into Series L Shares and the Holders thereof shall be deemed to be holders of Series L Shares at 5:00 p.m. (Toronto time) on the Series M Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series M Shares not previously surrendered for conversion, to

receive a certificate or certificates representing the same number of Series L Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series M Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series M Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series L Shares and the number of remaining Series M Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series M Conversion Date, so that the rights of the Holder of such Series M Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series L Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series L Shares at such time.

(e) The Holder of any Series M Share on the record date for any Series M Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series L Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series L Shares upon the conversion of Series M Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series L Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series L Shares are issued in respect of the issuance of such Series L Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series M Shares*

All Series M Shares converted into Series L Shares on a Series M Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series M Conversion Date and available for issuance on the conversion of the Series L Shares.

4.5 *Right Not to Deliver Series L Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series L Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series M Shares) on any shares of the Corporation ranking as to dividends junior to the Series M Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series M Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series M Shares;

(c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series M Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series M Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the Holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series M Dividends whether or not consecutive. In the event of such non payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at

which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series M Share held. No other voting rights shall attach to the Series M Shares in any circumstances. Upon payment of the entire amount of all Series M Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8.).

9. Modifications

The Series M share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series M Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series M Shares are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series M Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series M Share held.

10.2 ***Formalities, etc.***

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

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

13. Interpretation

(a) Definitions

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.17%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series M Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.17% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent for the Series M Shares has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series M Shares or Series L Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2014 and ending on and including December 31, 2014, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series L Shares**" means the Class AAA Preference Shares, Series L.

"**Series M Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series M Dividends**" has the meaning attributed to it in Section 2.1.

"**Series M Shares**" has the meaning attributed to it in the introductory paragraph to the Series M share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2014 and ending on and including September 30, 2019 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series M Shares.

13.2 *Interpretation of Terms*

In these Series M share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series M Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series M Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) "**in priority to**", "**on a parity with**" and "**junior to**" have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other

distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

(c) in the event that any date on which any Series M Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series M share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

For the purposes of these Series M share provisions, as long as the Depository, or its nominee, is the registered Holder of the Series M Shares, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series M Shares for the purpose of receiving notices or payments on or in respect of the Series M Shares, including payments of Series M Dividends, the Redemption Price or

accrued and unpaid dividends, and the delivery of Series L Shares and certificates for those shares on the conversion into Series L Shares.

15. CLASS AAA PREFERENCE SHARES, SERIES N

The thirteenth series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series N (hereinafter referred to as the "**Series N Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series N Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series N Dividends payable on the Series N Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series N Dividend will be payable March 31, 2010 and will be an amount in cash equal to $0.2949 per Series N Share. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than March 31, 2010) the Series N Dividend will be equal to $0.384375 per share.

(b) During each Subsequent Fixed Rate Period, Series N Dividends payable on the Series N Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series N Dividends shall (except in case of redemption or conversion in which case payment of Series N Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series N Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided

for in Section 12) a cheque for such Series N Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the ease of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series N Shares up to and including March 31, 2010 (the "**Initial Dividend Period**"), a dividend in an amount per Series N Share equal to the amount obtained (rounded to four decimal places) where $1.5375 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series N Shares up to and including March 31, 2010 and the denominator of which is 365. The Series N Dividend payable for the Initial Dividend Period, payable as of March 31 2010, as calculated by this method shall be $0.2949 per Series N Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series N Shares prior to June 30, 2016. On June 30, 2016 and on June 30 every five years thereafter (each, a "**Series N Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series N Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the

consent of the Holders, redeem all, or any part, of the then outstanding Series N Shares by the payment of an amount in cash for each such Series N Share so redeemed equal to $25.00 per Series N Share, together with all accrued and unpaid Series N Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series N Conversion Date of its intention to redeem such Series N Shares to each person who at the date of giving such notice is the Holder of Series N Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series N Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series N Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series N Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted, and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series N Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series N Shares called for redemption shall cease to be entitled to Series N Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series N Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for

payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series N Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series N Conversion Date, to convert, all, or any part of, the then outstanding Series N Shares registered in the name of the Holder into Class AAA Preference Shares, Series O ("**Series O Shares**") on the basis of one (1) Series O Share for each Series N Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series N Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series N Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series N Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series N Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series O Shares for the next succeeding Quarterly Floating Rate Period in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series N Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series N Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series O Shares on a Series N Conversion Date if the Corporation determines that there would remain outstanding on the Series N Conversion Date less than 1,000,000 Series C Shares after taking into account all Series N Shares tendered for conversion into Series O Shares and all Series O Shares tendered for conversion into Series N Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series N Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series N Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series N Shares, new certificates representing the Series N Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series N Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series N Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series N Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series N Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series N Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series N Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series N Shares into Series O Shares on the applicable Series N Conversion Date as provided for in Section 4.2, the Series N Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series N Conversion Date into Series O Shares and the Holders thereof shall be deemed to be holders of Series O Shares at 5:00 p.m. (Toronto time) on the Series N Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series N Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series O Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series N Conversion. Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series N Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series O Shares and the number of remaining Series N Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series N Conversion Date, so that the rights of the Holder of such Series N Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series O Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series O Shares at such time.

(e) The Holder of any Series N Share on the record date for any Series N Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series O Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series O Shares upon the conversion of Series N Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series O Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may imposed upon the person or persons to whom such Series O Shares are issued in respect of the issuance of such Series O Shares or the certificate therefor, or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series N Shares*

All Series N Shares converted into Series O Shares on a Series N Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series N Conversion Date and available for issuance on the conversion of the Series O Shares.

4.5 *Right Not to Deliver Series O Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series O Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series N Shares) on any shares of the Corporation ranking as to dividends junior to the Series N Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series N Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series N Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series N Shares then outstanding; or

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

unless, in each such case, all accrued and unpaid dividends up to and including the Series N Dividend payable for the last completed Dividend Period, and on all other shares of the Corporation ranking

prior to or on a parity with the Series N Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series N Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series N Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series N Share held. No other voting rights shall attach to the Series N Shares in any circumstances. Upon payment of the entire amount of all Series N Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

9. Modifications

These Series N share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject, to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the

outstanding Series N Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series N Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series N Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series N Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.07%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series N Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including March 31, 2010 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.07% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series N Shares or Series O Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 6.15% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including June 30, 2016.

"**Issue Date**" means the date on which Series N Shares are first issued.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2016 and ending on and including September 30, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series N Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series N Dividends**" has the meaning attributed to it in Section 2.1.

"**Series N Shares**" has the meaning attributed to it in the introductory paragraph to these Series N share provisions.

"**Series O Shares**" means the Class AAA Preference Shares, Series O.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2016 and ending on and including June 30, 2021 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series N Shares.

13.2 *Interpretation of Terms*

In these Series N share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series N Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series N Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series N Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series N share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

16. CLASS AAA PREFERENCE SHARES, SERIES O

Brookfield Properties Corporation (the "Corporation")

The fourteenth series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series O (hereinafter referred to as the "**Series O Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series O Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly. Floating Rate Period, Series O Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series O Dividends shall (except in case of redemption or conversion in 'which case payment of Series O Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series O Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series O Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series O Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series O Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the- relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series O Shares prior to June 30, 2016. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series O Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series O Shares by the payment of an amount in cash for each Series O Share so redeemed equal to (i) $25.00 in the case of redemptions on June 30, 2021 and on June 30 every five years thereafter (each a "**Series O Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series O Conversion Date on or after June 30, 2016 in each case including all accrued and unpaid Series O Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series O Conversion Date of its intention to redeem such Series O Shares to each person who at the date of giving such notice is the Holder of Series O Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series O Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series O Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series O Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series O Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in

fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series O Shares called for redemption shall cease to be entitled to Series O Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At arty time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series O Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series O Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series O Conversion Date, to convert all, or any part of, the then outstanding Series O Shares registered in the name of the Holder into Class AAA Preference Shares, Series N ("**Series N Shares**") on the basis of one (1) Series N Share for each Series O Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series O Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series O Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series O Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series O Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series N Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series O Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series O Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series N Shares on a Series O Conversion Date if the Corporation determines that there would remain outstanding on the Series O Conversion Date less than 1,000,000 Series N Shares after taking into account all

Series O Shares tendered for conversion into Series N Shares and all Series N Shares tendered for conversion into Series O Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series O Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series O Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series O Shares new certificates representing the Series O Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series O Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series O Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series O Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series O Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series O Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series O Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series O Shares into Series N Shares on the applicable Series O Conversion Date as provided for in Section 4.2, the Series O Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series O Conversion Date into Series N Shares and the Holders thereof shall be deemed to be holders of Series N Shares at 5:00 p.m. (Toronto time) on the Series O Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series O Shares not previously surrendered for conversion, to receive a certificate or

certificates representing the same number of Series N Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series O Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series O Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series N Shares and the number of remaining Series O Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made. at 5:00 p.m. (Toronto time) on the Series O Conversion Date, so that the rights of the Holder of such Series O Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series N Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series N Shares at such time.

(e) The Holder of any Series O Share on the record date for any Series O Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series N Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series N Shares upon the conversion of Series O Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series N Shares represented thereby; provided; however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series N Shares are issued in respect of the issuance of such Series N Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series O Shares*

All Series O Shares converted into Series N Shares on a Series O Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series O Conversion Date and available for issuance on the conversion of the Series N Shares.

4.5 *Right Not to Deliver Series N Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series N Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series O Shares) on any shares of the Corporation ranking as to dividends junior to the Series O Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series O Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series O Shares;

(c) redeem or call for redemption, purchase or otherwise payoff or retire for value or make any return of capital in respect of less than all of the Series O Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series O Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series O Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at

which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series O Share held. No other voting rights shall attach to the Series O Shares in any circumstances. Upon payment of the entire amount of all Series O Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The Series O share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act,* any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series O Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series O Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series O Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series O Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada yield on the applicable Fixed Rate Calculation Date plus 3.07%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series O Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to. the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.07%.calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series O Shares or Series N Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2016 and ending on and including September 30, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series N Shares"** means the Class AAA Preference Shares, Series N.

"**Series O Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series O Dividends**" has the meaning attributed to it in Section 2.1.

"**Series O Shares**" has the meaning attributed to it in the introductory paragraph to the Series O share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2016 and ending on and including June 30, 2021 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series O Shares.

13.2 *Interpretation of Terms*

In these Series O share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series O Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series O Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series O Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series O share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder,

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

17. CLASS AAA PREFERENCE SHARES, SERIES P

The fifteenth series of Class AAA Preference Shares of the Corporation shall consist of 12,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series P

(hereinafter referred to as the "**Series P Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series P Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series P Dividends payable on the Series P Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series P Dividend will be payable December 31, 2010 and will be an amount in cash equal to $0.2504 per Series P Share. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than December 31, 2010) the Series P Dividend will be equal to $0.321875 per share.

(b) During each Subsequent Fixed Rate Period, Series P Dividends payable on the Series P Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series P Dividends shall (except in case of redemption or conversion in which case payment of Series P Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series P Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series P Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such

cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series P Shares up to and including December 31, 2010 (the "**Initial Dividend Period**"), a dividend in an amount per Series P Share equal to the amount obtained (rounded to four decimal places) where $1.2875 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series P Shares up to and including December 31, 2010 and the denominator of which is 365. The Series P Dividend payable for the Initial Dividend Period, payable as of December 31, 2010, as calculated by this method shall be $0.2504 per Series 13 Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series P Shares prior to March 31, 2017. On March 31, 2017 and on March 31 every five years thereafter (each, a "**Series P Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series P Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series P Shares by the payment of an amount in cash for each such Series P Share so redeemed equal to $25.00 per Series P Share, together

with all accrued and unpaid Series P Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series P Conversion Date of its intention to redeem such Series P Shares to each person who at the date of giving such notice is the Holder of Series P Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series P Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series P Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series P Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series P Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series P Shares called for redemption shall cease to be entitled to Series P Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series P Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series P Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series P Conversion Date, to convert, all, or any part of, the then outstanding Series P Shares registered in the name of the Holder into Class AAA Preference Shares, Series Q ("**Series Q Shares**") on the basis of one (1) Series Q Share for each Series P Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series P Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series P Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series P Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed, Dividend Rate applicable to the Series P Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series Q Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series P Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series P Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series Q Shares on a Series P Conversion Date if the Corporation determines that there would remain outstanding on the Series P Conversion Date less than 1,000,000 Series Q Shares after taking into account all Series P Shares tendered for, conversion into Series Q Shares and all Series Q Shares tendered for conversion into Series P Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series P Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series P Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series P Shares, new certificates representing the Series P Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a

Series P Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series P Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series P Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series P Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series P Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series P Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series P Shares into Series Q Shares on the applicable Series P Conversion Date as provided for in Section 4.2, the Series P Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series P Conversion Date into Series Q Shares and the Holders thereof shall be deemed to be holders of Series Q Shares at 5:00 p.m. (Toronto time) on the Series P Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series P Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series Q Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series P Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series P Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series Q Shares and the number of remaining Series P Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series P Conversion Date, so that the rights of the Holder of such Series P Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series Q Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series Q Shares at such time.

(e) The Holder of any Series P Share on the record date for any Series P Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series Q Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series Q Shares upon the conversion of Series P Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series Q

Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series Q Shares are issued in respect of the issuance of such Series Q Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series P Shares*

All Series P Shares converted into Series Q Shares on a Series P Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series P Conversion Date and available for issuance on the conversion of the Series Q Shares.

4.5 *Right Not to Deliver Series Q Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series Q-Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series P Shares) on any shares of the Corporation ranking as to dividends junior to the Series P Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series P Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series P Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series P Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series P Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series P Dividends whether or not consecutive In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series P Share held. No other voting rights shall attach to the Series P Shares in any circumstances. Upon payment of the entire amount of all Series P Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

9. Modifications

These Series P share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series P Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series P Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series P Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series P Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal

and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.0%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series P Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including December 31, 2010 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.0% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series P Shares or Series Q Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 5.15% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including March 31, 2017.

"**Issue Date**" means the date on which Series P Shares are first issued.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2017 and ending on and including June 30, 2017, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series P Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series P Dividends**" has the meaning attributed to it in Section 2.1.

"**Series P Shares**" has the meaning attributed to it in the introductory paragraph to these Series P share provisions.

"**Series Q Shares**" means the Class AAA Preference Shares, Series Q.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2017 and ending on and including March 31, 2022 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series P Shares.

13.2 ***Interpretation of Terms In these Series P share provisions:***

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series P Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series P Dividends had been accruing on a day-to-day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series P Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series P share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

18. CLASS AAA PREFERENCE SHARES, SERIES Q

Brookfield Properties Corporation (the "Corporation")

The sixteenth series of Class AAA Preference Shares of the. Corporation shall consist of 12,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series Q (hereinafter referred to as the "**Series Q Shares**") and which, in- addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference. Shares as a class, shall have attached thereto the following rights, privileges, restrictions and Conditions:

1. Consideration for Issue

The consideration for the issue of each Series Q Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series Q Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00; and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series Q Dividends shall (except in case of redemption or conversion in which case payment of Series Q Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series Q Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series Q Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series Q Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series Q Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series Q Shares prior to March 31, 2017. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series Q Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series Q Shares by the payment of an amount in cash for each Series Q Share so redeemed equal to (i) $25.00 in the case of redemptions on March 31, 2022 and on March 31 every five years thereafter (each a "**Series Q Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series Q Conversion Date on or after March 31, 2017 in each case including all accrued and unpaid Series Q Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series Q Conversion Date of its intention to redeem such Series Q Shares to each person who at the date of giving such notice is the Holder of Series Q Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series Q Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series Q Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the. Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series Q Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series Q Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in

fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series Q Shares called for redemption shall cease to be entitled to Series Q Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series Q Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series Q Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series Q Conversion Date, to convert all, or any part of, the then outstanding Series Q Shares registered in the name of the Holder into Class AAA Preference Shares, Series P ("**Series P Shares**") on the basis of one (1) Series P Share for each Series Q Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series Q Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series Q Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series Q Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series Q Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series P Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series Q Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series Q Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series P Shares on a Series Q Conversion Date if the Corporation determines that there would remain outstanding on the Series Q Conversion Date less than 1,000,000 Series P Shares after taking into account all

Series Q Shares tendered for conversion into Series P Shares and all Series P Shares tendered for conversion into Series Q Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series Q Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series Q Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series Q Shares new certificates representing the Series Q Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series Q Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series Q Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series Q Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series Q Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series Q Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series Q Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series Q Shares into Series P Shares on the applicable Series Q Conversion Date as provided for in Section 4.2, the Series Q Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series Q Conversion Date into Series P Shares and the Holders thereof shall be deemed to be holders of Series P Shares at 5:00 p.m. (Toronto time) on the Series Q Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series Q Shares not previously surrendered for conversion, to receive a certificate or

certificates representing the same number of Series P Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series Q Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series Q Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series P Shares and the number of remaining Series Q Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series Q Conversion Date, so that the rights of the Holder of such Series Q Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series P Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series P Shares at such time.

(e) The Holder of any Series Q Share on the record date for any Series Q Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series P Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series P Shares upon the conversion of Series Q Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series P Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series P Shares are issued in respect of the issuance of such Series P Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series Q Shares*

All Series Q Shares converted into Series P Shares on a Series Q Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series Q Conversion Date and available for issuance on the conversion of the Series P Shares.

4.5 *Right Not to Deliver Series P Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series P Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series Q Shares) on any shares of the Corporation ranking as to dividends junior to the Series Q Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series Q Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series Q Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series Q Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series Q Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series Q Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at

which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series Q Share held. No other voting rights shall attach to the Series Q Shares in any circumstances. Upon payment of the entire amount of all Series Q Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The Series Q share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series Q Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series Q Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series Q Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series Q Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

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

13. Interpretation 13.1 Definitions

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

13.1 *Definitions*

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.0%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series Q Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.0% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series Q Shares or Series P Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2017 and ending on and including June 30, 2017, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series P Shares**" means the Class AAA Preference Shares, Series P.

"**Series Q Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series Q Dividends**" has the meaning attributed to it in Section 2.1.

"**Series Q Shares**" has the meaning attributed to it in the introductory paragraph to the Series Q share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2017 and ending on and including March 31, 2022 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series Q Shares.

13.2 *Interpretation of Terms*

In these Series Q share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series Q Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series Q Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series Q Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or

the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series Q share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

19. CLASS AAA PREFERENCE SHARES, SERIES R

The seventeenth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series R (hereinafter referred to as the "**Series R Shares**") and which, in addition to the rights, privileges, restrictions

and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series R Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series R Dividends payable on the Series R Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series R Dividend will be payable December 31, 2011 and will be an amount in cash equal to $0.4192 per Series R Share. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than December 31, 2011) the Series R Dividend will be equal to $0.31875 per share.

(b) During each Subsequent Fixed Rate Period, Series R Dividends payable on the Series R Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series R Dividends shall (except in case of redemption or conversion in which case payment of Series R Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series R Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series R Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are

represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series R Shares up to and including December 31, 2011 (the "**Initial Dividend Period**"), a dividend in an amount per Series R Share equal to the amount obtained (rounded to four decimal places) where $1.275 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series R Shares up to and including December 31, 2011 and the denominator of which is 365. The Series R Dividend payable for the Initial Dividend Period, payable as of December 31, 2011, as calculated by this method shall be $0.4192 per Series R Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series R Shares prior to September 30, 2016. On September 30, 2016 and on September 30 every five years thereafter (each, a "**Series R Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series R Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series R Shares by the payment of an amount in cash for each such Series R Share so redeemed equal to $25.00 per Series R Share, together with all accrued and unpaid Series R Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series R Conversion Date of its intention to redeem such Series R Shares to each person who at the date of giving such notice is the Holder of Series R Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series R Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series R Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series R Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series R Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series R Shares called for redemption shall cease to be entitled to Series R Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series R Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series R Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series R Conversion Date, to convert, all, or any part of, the then outstanding Series R Shares registered in the name of the Holder into Class AAA Preference Shares, Series S ("**Series S Shares**") on the basis of one (1) Series S Share for each Series R Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series R Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series R Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series R Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series R Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series S Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series R Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series R Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series S Shares on a Series R Conversion Date if the Corporation determines that there would remain outstanding on the Series R Conversion Date less than 1,000,000 Series S Shares after taking into account all Series R Shares tendered for conversion into Series S Shares and all Series S Shares tendered for conversion into Series R Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series R Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series R Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series R Shares, new certificates representing the Series R Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a

Series R Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series R Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series R Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series R Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series R Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series R Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series R Shares into Series S Shares on the applicable Series R Conversion Date as provided for in Section 4.2, the Series R Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series R Conversion Date into Series S Shares and the Holders thereof shall be deemed to be holders of Series S Shares at 5:00 p.m. (Toronto time) on the Series R Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series R Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series S Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series R Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series R Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series S Shares and the number of remaining Series R Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series R Conversion Date, so that the rights of the Holder of such Series R Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series S Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series S Shares at such time.

(e) The Holder of any Series R Share on the record date for any Series R Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series S Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series S Shares upon the conversion of Series R Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series S

Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series S Shares are issued in respect of the issuance of such Series S Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series R Shares*

All Series R Shares converted into Series S Shares on a Series R Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series R Conversion Date and available for issuance on the conversion of the Series S Shares.

4.5 *Right Not to Deliver Series S Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series S Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series R Shares) on any shares of the Corporation ranking as to dividends junior to the Series R Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series R Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series R Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series R Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series R Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series R Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series R Share held. No other voting rights shall attach to the Series R Shares in any circumstances. Upon payment of the entire amount of all Series R Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

9. Modifications

These Series R share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series R Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series R Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series R Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series R Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal

and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.48%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series R Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including December 31, 2011 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.48% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series R Shares or Series S Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 5.10% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including September 30, 2016.

"**Issue Date**" means the date on which Series R Shares are first issued.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2016 and ending on and including December 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series R Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series R Dividends**" has the meaning attributed to it in Section 2.1.

"**Series R Shares**" has the meaning attributed to it in the introductory paragraph to these Series R share provisions.

"**Series S Shares**" means the Class AAA Preference Shares, Series S.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2016 and ending on and including September 30, 2021 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series R Shares.

13.2 *Interpretation of Terms*

In these Series R share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series R Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series R Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series R Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series R share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

20. CLASS AAA PREFERENCE SHARES, SERIES S

The eighteenth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series S (hereinafter referred to as the "**Series S Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series S Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series S Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series S Dividends shall (except in case of redemption or conversion in which case payment of Series S Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series S Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series S Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series S Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series S Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series S Shares prior to September 30, 2016. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series S Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series S Shares by the payment of an amount in cash for each Series S Share so redeemed equal to (i) $25.00 in the case of redemptions on September 30, 2021 and on September 30 every five years thereafter (each a "**Series S Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series S Conversion Date on or after September 30, 2016 in each case including all accrued and unpaid Series S Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series S Conversion Date of its intention to redeem such Series S Shares to each person who at the date of giving such notice is the Holder of Series S Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series S Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series S Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series S Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series S Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in

fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series S Shares called for redemption shall cease to be entitled to Series S Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series S Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series S Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series S Conversion Date, to convert all, or any part of, the then outstanding Series S Shares registered in the name of the Holder into Class AAA Preference Shares, Series R ("**Series R Shares**") on the basis of one (1) Series R Share for each Series S Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series S Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series S Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series S Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series S Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series R Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series S Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series S Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series R Shares on a Series S Conversion Date if the Corporation determines that there would remain outstanding on the Series S Conversion Date less than 1,000,000 Series R Shares after taking into account all

Series S Shares tendered for conversion into Series R Shares and all Series R Shares tendered for conversion into Series S Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series S Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series S Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series S Shares new certificates representing the Series S Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series S Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series S Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series S Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series S Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series S Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series S Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series S Shares into Series R Shares on the applicable Series S Conversion Date as provided for in Section 4.2, the Series S Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series S Conversion Date into Series R Shares and the Holders thereof shall be deemed to be holders of Series R Shares at 5:00 p.m. (Toronto time) on the Series S Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series S Shares not previously surrendered for conversion, to receive a certificate or

certificates representing the same number of Series R Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series S Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series S Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series R Shares and the number of remaining Series S Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series S Conversion Date, so that the rights of the Holder of such Series S Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series R Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series R Shares at such time.

(e) The Holder of any Series S Share on the record date for any Series S Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series R Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series R Shares upon the conversion of Series S Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series R Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series R Shares are issued in respect of the issuance of such Series R Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series S Shares*

All Series S Shares converted into Series R Shares on a Series S Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series S Conversion Date and available for issuance on the conversion of the Series R Shares.

4.5 *Right Not to Deliver Series R Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series R Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series S

Shares) on any shares of the Corporation ranking as to dividends junior to the Series S Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series S Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series S Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series S Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series S Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

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

right, at any such meeting, to one (1) vote for each Series S Share held. No other voting rights shall attach to the Series S Shares in any circumstances. Upon payment of the entire amount of all Series S Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The Series S share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series S Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series S Shares are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series S Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series S Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent

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

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

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

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

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.48%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series S Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.48% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series S Shares or Series R Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2016 and ending on and including December 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding

Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series R Shares**" means the Class AAA Preference Shares, Series R.

"**Series S Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series S Dividends**" has the meaning attributed to it in Section 2.1.

"**Series S Shares**" has the meaning attributed to it in the introductory paragraph to the Series S share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2016 and ending on and including September 30, 2021 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada).

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series S Shares.

13.2 *Interpretation of Terms*

In these Series S share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series S Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series S Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series S Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next

succeeding day that is a business day. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series S share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

21. CLASS AAA PREFERENCE SHARES, SERIES T

Brookfield Office Properties Inc. (the "Corporation")

The nineteenth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series T (hereinafter referred to as the "**Series T Shares**") and which, in addition to the rights, privileges, restrictions and

conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series T Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

Holders of Series T Shares (the "**Holders**") shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends (the "**Series T Dividends**") payable quarterly on the last day of March, June, September and December (each, a "**Dividend Payment Date**") at the rates herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

(a) During the Initial Fixed Rate Period, the Series T Dividends payable on the Series T Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series T Dividend will be payable December 31, 2012 and will be an amount in cash equal to $0.3434 per Series T Share. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than December 31, 2012) the Series T Dividend will be equal to $0.2875 per share.

(b) During each Subsequent Fixed Rate Period, Series T Dividends payable on the Series T Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series T Dividends shall (except in case of redemption or conversion in which case payment of Series T Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series T Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series T Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are

represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series T Shares up to and including December 31, 2012 (the "**Initial Dividend Period**"), a dividend in an amount per Series T Share equal to the amount obtained (rounded to four decimal places) where $1.15 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series T Shares up to and including December 31, 2012 and the denominator of which is 365. The Series T Dividend payable for the Initial Dividend Period, payable as of December 31, 2012, as calculated by this method shall be $0.3434 per Series T Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series T Shares prior to December 31, 2018. On December 31, 2018 and on December 31 every five years thereafter (each, a "**Series T Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series T Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series T Shares by the payment of an amount in cash for each such Series T Share so redeemed equal to $25.00 per Series T Share, together with all accrued and unpaid Series T Dividends up to but excluding the date fixed

for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series T Conversion Date of its intention to redeem such Series T Shares to each person who at the date of giving such notice is the Holder of Series T Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series T Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series T Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series T Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series T Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series T Shares called for redemption shall cease to be entitled to Series T Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series T Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series T Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series T Conversion Date, to convert, all, or any part of, the then outstanding Series T Shares registered in the name of the Holder into Class AAA Preference Shares, Series U ("**Series U Shares**") on the basis of one (1) Series U Share for each Series T Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series T Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series T Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series T Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series T Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series U Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series T Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series T Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series U Shares on a Series T Conversion Date if the Corporation determines that there would remain outstanding on the Series T Conversion Date less than 1,000,000 Series U Shares after taking into account all Series T Shares tendered for conversion into Series U Shares and all Series U Shares tendered for conversion into Series T Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series T Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series T Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series T Shares, new certificates representing the Series T Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a

Series T Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series T Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series T Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series T Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series T Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series T Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series T Shares into Series U Shares on the applicable Series T Conversion Date as provided for in Section 4.2, the Series T Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series T Conversion Date into Series U Shares and the Holders thereof shall be deemed to be holders of Series U Shares at 5:00 p.m. (Toronto time) on the Series T Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series T Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series U Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series T Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series T Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series U Shares and the number of remaining Series T Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series T Conversion Date, so that the rights of the Holder of such Series T Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series U Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series U Shares at such time.

(e) The Holder of any Series T Share on the record date for any Series T Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series U Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series U Shares upon the conversion of Series T Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series U

Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series U Shares are issued in respect of the issuance of such Series U Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series T Shares*

All Series T Shares converted into Series U Shares on a Series T Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series T Conversion Date and available for issuance on the conversion of the Series U Shares.

4.5 *Right Not to Deliver Series U Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series U Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series T Shares) on any shares of the Corporation ranking as to dividends junior to the Series T Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series T Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series T Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series T Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series T Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series T Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series T Share held. No other voting rights shall attach to the Series T Shares in any circumstances. Upon payment of the entire amount of all Series T Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

9. Modifications

These Series T share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series T Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series T Shares are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series T Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series T Share held.

10.2 *Formalities, etc.*

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

11. Tax Election

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

12. Communications with Holders

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

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

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

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal

and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.16%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series T Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including December 31, 2012 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.16% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series T Shares or Series U Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 4.60% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including December 31, 2018.

"**Issue Date**" means the date on which Series T Shares are first issued.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2019 and ending on and including March 31, 2019, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series T Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series T Dividends**" has the meaning attributed to it in Section 2.1.

"**Series T Shares**" has the meaning attributed to it in the introductory paragraph to these Series T share provisions.

"**Series U Shares**" means the Class AAA Preference Shares, Series U.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2019 and ending on and including December 31, 2023 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series T Shares.

13.2 *Interpretation of Terms*

In these Series T share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series T Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series T Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series T Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series T share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

22. CLASS AAA PREFERENCE SHARES, SERIES U

Brookfield Office Properties Inc. (the "Corporation")

The twentieth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series U (hereinafter referred to as the "**Series U Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series U Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series U Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series U Dividends shall (except in case of redemption or conversion in which case payment of Series U Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series U Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series U Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series U Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series U Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series U Shares prior to December 31, 2018. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series U Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series U Shares by the payment of an amount in cash for each Series U Share so redeemed equal to (i) $25.00 in the case of redemptions on December 31, 2023 and on December 31 every five years thereafter (each a "**Series U Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series U Conversion Date on or after December 31, 2018 in each case including all accrued and unpaid Series U Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series U Conversion Date of its intention to redeem such Series U Shares to each person who at the date of giving such notice is the Holder of Series U Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series U Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series U Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series U Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series U Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in

fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series U Shares called for redemption shall cease to be entitled to Series U Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series U Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series U Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series U Conversion Date, to convert all, or any part of, the then outstanding Series U Shares registered in the name of the Holder into Class AAA Preference Shares, Series T ("**Series T Shares**") on the basis of one (1) Series T Share for each Series U Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series U Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series U Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series U Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series U Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series T Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series U Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series U Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series T Shares on a Series U Conversion Date if the Corporation determines that there would remain outstanding on the Series U Conversion Date less than 1,000,000 Series T Shares after taking into account all

Series U Shares tendered for conversion into Series T Shares and all Series T Shares tendered for conversion into Series U Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series U Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series U Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series U Shares new certificates representing the Series U Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 14, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series U Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series U Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series U Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series U Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series U Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series U Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series U Shares into Series T Shares on the applicable Series U Conversion Date as provided for in Section 4.2, the Series U Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series U Conversion Date into Series T Shares and the Holders thereof shall be deemed to be holders of Series T Shares at 5:00 p.m. (Toronto time) on the Series U Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series U Shares not previously surrendered for conversion, to receive a certificate or

certificates representing the same number of Series T Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series U Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series U Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series T Shares and the number of remaining Series U Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series U Conversion Date, so that the rights of the Holder of such Series U Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series T Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series T Shares at such time.

(e) The Holder of any Series U Share on the record date for any Series U Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series T Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series T Shares upon the conversion of Series U Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series T Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series T Shares are issued in respect of the issuance of such Series T Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series U Shares*

All Series U Shares converted into Series T Shares on a Series U Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series U Conversion Date and available for issuance on the conversion of the Series T Shares.

4.5 *Right Not to Deliver Series T Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series T Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series U Shares) on any shares of the Corporation ranking as to dividends junior to the Series U Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series U Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series U Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series U Shares then outstanding; or

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

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

6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series U Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

7. Liquidation, Dissolution or Winding-Up

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

8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series U Dividends whether or not consecutive. In the event of such non payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than meetings at

which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series U Share held. No other voting rights shall attach to the Series U Shares in any circumstances. Upon payment of the entire amount of all Series U Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8.

9. Modifications

The Series U share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 10.

10. Approval of Holders

10.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series U Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series U Shares are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series U Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series U Share held.

10.2 ***Formalities, etc.***

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

11. Tax Election

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

12. Communications with Holders

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

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

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

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

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

13. Interpretation

13.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.16%.

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

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

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series U Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.16% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series U Shares or Series T Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2019 and ending on and including March 31, 2019, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series T Shares**" means the Class AAA Preference Shares, Series T.

"**Series U Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series U Dividends**" has the meaning attributed to it in Section 2.1.

"**Series U Shares**" has the meaning attributed to it in the introductory paragraph to the Series U share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2019 and ending on and including December 31, 2023 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series U Shares.

13.2 *Interpretation of Terms*

In these Series U share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series U Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series U Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series U Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series U share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

14. Book-Entry Only System

14.1 *Transfers etc. Through Participants*

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

14.2 *Depository is Registered Holder*

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

23. CLASS AAA PREFERENCE SHARES, SERIES V

The twenty-second series of Class AAA Preference Shares shall consist of 1,805,489 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series V which replace the "Cumulative

Redeemable Preferred Shares Series G" of BPO Properties Ltd. (the Class AAA Preference Shares, Series V shall hereinafter be referred to as the "**Series G Preferred Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 The holders of the Series G Preferred Shares shall be entitled to receive, as and when declared by the Board of Directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends as follows:

(a) an initial dividend (the "**Initial Dividend**") in respect of the period from and including the date of initial issue of the Series G Preferred Shares to but excluding February 14, 1986 (the "**Initial Dividend Period**"), payable on February 14, 1986 (the "**Initial Dividend Payment Date**") in an amount per Series G Preferred Share equal to the amount obtained (rounded to five decimal places) when

(i) $25.00 multiplied by 8.5%

is multiplied by

(ii) the number of days in the Initial Dividend Period divided by 365;

and

(b) dividends payable quarterly (the "**Quarterly Dividends**") on the 14th day of each of the months of February, May, August and November in each year (the "**Dividend Payment Dates**") commencing with May 14, 1986 in respect of the period from and including the immediately preceding Dividend Payment Date to but excluding the next succeeding Dividend Payment Date, in an amount per Series G Preferred Share equal to the amount obtained when the Quarterly Dividend Rate is multiplied by $25.00.

1.2 In any case where dividends are payable for a period (the "**Dividend Payment Period**") that ends on a date other than the day immediately preceding Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series G Preferred Share obtained when

(a) $25.00 multiplied by

(i) 8.5%, in the case of dividends payable for a Dividend Payment Period ending on or before November 13, 1990; and

(ii) the Quarterly Dividend Rate which would be used to calculate the Quarterly Dividend payable on the next succeeding Dividend Payment Date, in the case of dividends payable after November 14, 1990

is multiplied by

(b) the number of days in such Dividend Payment Period divided by 365.

1.3 For the purpose of this clause 1:

(a) "**Quarterly Dividend Rate**" means

(i) 2.125%, in the case of dividends payable on or before November 14, 1990; and

(ii) one-quarter of seventy percent (70%) of the Average Prime Rate in effect on each day during the three month period ending on the 13th day of the calendar month which is three months prior to the month during which the Dividend Payment Date for which the determination is being made falls, in the case of dividends payable after November 14, 1990.

(b) "**Banks**" means The Toronto-Dominion Bank, Bank of Montreal, The Royal Bank of Canada, Canadian Imperial Bank of Commerce and Bank of Nova Scotia collectively, and the term "Bank" means one of the Banks and, for the purposes of this definition, "**Banks**" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks.

(c) "**Daily Prime Rate**" means, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate.

(d) "**Average Daily Prime Rat**e" means, for any day, the arithmetic average, rounded to the nearest one-one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on any day there shall be no Daily Prime Rate for some (but not all) of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other or others of the Banks having a Daily Prime Rate and further provided that if on any day there shall be no Daily Prime Rate for any of the Banks, the Average Daily Prime Rate for such day shall be 1.50% above the average yield per annum on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for the weekly tender immediately preceding such day.

(e) "**Average Prime Rate**" means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period.

(f) Dividends shall accrue on a day-to-day basis.

1.4 Payment of any dividends may be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless the 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 remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.5 If on any Dividend Payment Date, the dividend payable on such date is not paid in full on all the Series G Preferred Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by Board of Directors of the Corporation on which the Corporation shall have sufficient moneys or property properly applicable to the payment of the same. The holders of Series G Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

2. Information and Voting Rights

The holders of the Series G Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate eight Quarterly Dividends (which term, for the purpose of this clause 2, shall include the Initial Dividend) on the Series G Preferred Shares in which case, and so long thereafter as any dividends on the Series G Preferred Shares continue to be in arrears, the holders of the Series G Preferred Shares shall be entitled to receive notice of and to attend all meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series (other than the Class AAA Preference Shares or Series G Preferred Shares), but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the Board of Directors of the Corporation and for such purpose the holders of the Series G Preferred Shares shall have one vote for each Series G Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series G Preferred Shares as provided in this clause, or who may be appointed as directors after such right shall have accrued and before a meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such general meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series G Preferred Shares and in default of the calling of such general meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series G Preferred Shares.

Any vacancy occurring among members of the Board of Directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this clause may be filled by the Board of Directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the Board of Directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the Board of Directors, the holders of at least 10% of the outstanding Series G Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

3. Purchase for Cancellation

Subject to the provisions of the *Canada Business Corporations Act* and other laws governing the Corporation, as now existing or hereafter amended, (such laws being hereinafter referred to as the "**Act**") and the articles of the Corporation, the Corporation may at any time or times purchase (if obtainable) the whole or any part of the outstanding Series G Preferred Shares either on the open market (including through

or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders to all the holders of record of Series G Preferred Shares outstanding or in any other manner, at the lowest price or prices at which, in the opinion of the directors of the Corporation, such shares are then obtainable but not exceeding $25.00 per share together, in each case, with an amount equal to all accrued and unpaid dividends thereon up to the date of purchase which, for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of purchase, and the costs of purchase.

In the case of a purchase of Series G Preferred Shares by tender, the Corporation shall give notice of its intention to invite tenders to all the holders of the Series G Preferred Shares by giving notice of such invitation to each holder of Series G Preferred Shares in accordance with the provisions from time to time of the by-laws of the Corporation respecting notice to shareholders. If upon any invitation for tenders under the provisions of this clause 3, the Corporation shall receive tenders of Series G Preferred Shares at the same price, which shares when added to any Series G Preferred Shares tendered at a lower price or prices aggregate a number greater than the number for which the Corporation is prepared to accept tenders, the Series G Preferred Shares so tendered at the same price which the Corporation determines to purchase shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the total number of Series G Preferred Shares so tendered at such same price by each of the holders of Series G Preferred Shares who submitted tenders at such price. Any Series G Preferred Shares so purchased shall be cancelled and not reissued. If part only of the Series G Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

4. Redemption at the Option of the Corporation

Series G Preferred Shares shall not be redeemable at the option of the Corporation prior to October 10, 1990. Subject to the provisions of the Act and the articles of the Corporation, the Corporation may, upon giving notice as hereinafter provided, at any time on or after October 10, 1990, redeem the whole or from time to time any part of the then outstanding Series G Preferred Shares on payment for each share to be redeemed of a price of $25.00 together, in each case, with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption, which, for greater certainty, shall include dividends calculated in accordance with clause 1 hereof during the period from and including the immediately preceding Dividend Payment Date to but excluding the date fixed for redemption, (the whole constituting and being herein referred to as the "**Redemption Price**"). If the Corporation desires to redeem only part of the Series G Preferred Shares, the Series G Preferred Shares to be redeemed shall be selected by lot in single shares or in units of 10 shares or less in such manner as the Board of Directors of the Corporation may determine or *pro rata* disregarding fractions.

Any Series G Preferred Shares which are so redeemed shall be cancelled and not reissued.

5. Manner of Redemption

In the case of any redemption of Series G Preferred Shares pursuant to clause 4 hereof, the Corporation shall, at least 30 days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series G Preferred Shares to be redeemed, of the intention of the Corporation to redeem such Series G Preferred Shares. Any such notice shall be validly and effectively given on the date it is delivered to the holder of Series G Preferred Shares for whom it is intended or is sent by prepaid first class mail addressed to such holder at his address as it appears on the books of the Corporation, or in the event of the address of such holder not so appearing, then to the address of such holder last known to the Corporation, provided, however, that the accidental failure or omission to give such notice as aforesaid to one or more holders shall not affect the validity of the

redemption, but upon the failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the date (the "**Redemption Date**") on which the redemption is to take place, the Redemption Price and, unless all the Series G Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series G Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Series G Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series G Preferred Shares so called for redemption. Payment of the Redemption Price shall be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series G Preferred 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 G Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series G Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of the Series G Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series G Preferred Shares, to deposit the aggregate Redemption Price of the Series G Preferred Shares so called for redemption or of such of the Series G Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series G Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series G Preferred Shares. Upon such deposit being made, the rights of the holders of the Series G Preferred Shares in respect whereof such deposit shall have been made, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series G Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed (including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

6. Restrictions on Dividends, Retirement and Issue of Shares

As long as any Series G Preferred Shares are outstanding, the Corporation shall not, without prior approval of the holders of such outstanding Series G Preferred Shares given in the manner hereinafter specified:

(a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series G Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series G Preferred Shares); or

(b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series G Preferred Shares redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the

Common Shares or shares of any other class of the Corporation ranking as to capital junior to the Series G Preferred Shares; or

(c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series G Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series G Preferred Shares; or

(e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption or purchase or reduction or return of capital, as the case may be, all accrued and unpaid cumulative dividends up to and including the Quarterly Dividend payable on the immediately preceding Dividend Payment Date, shall have been declared and paid or set apart for payment on the Series G Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all outstanding Class AAA Preference Shares and all other shares ranking as to dividends prior to or *pari passu* with the Series G Preferred Shares.

7. Liquidation, Dissolution and Winding-Up

In the event of 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 G Preferred Shares shall be entitled to be paid and to receive $25.00 per share plus an amount equal to all accrued and unpaid dividends thereon to but excluding the date of payment, before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series G Preferred Shares. Upon payment to the holders of the Series G Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

8. Interpretation

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

For the purposes of these share provisions, "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

In the event of the non-receipt of a cheque by the holder of Series G Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence

of such non-receipt, loss or destruction and indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

9. Mail Service Disruption

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any share certificate to the holder of any Series G Preferred Share, whether in connection with the redemption or such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by means of publication once in each of two successive weeks in one daily English language newspaper of general circulation published in each of the Provinces of Canada and once in a daily French language newspaper of general circulation published in Montreal and notice so published shall be deemed to have been given on the date on which the first publication has taken place in the last of the Provinces of Canada;

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal offices in the cities of Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

10. Amendment

The provisions contained in clauses 1 to 11 inclusive (including this clause) attaching to the Series G Preferred Shares or any of them may be deleted, varied, modified, amended or amplified by Articles of Amendment but only with the prior approval of the holders of the Series G Preferred Shares given in accordance with clause 11 hereof, in addition to any vote, authorization, confirmation or approval required by the Act.

11. Approval of Holders of Series G Preferred Shares

The approval of the holders of Series G Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the Act) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series G Preferred Shares or by a resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Series G Preferred Shares duly called for that purpose and held in accordance with the provisions of clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, mutatis mutandis, with Series G Preferred Shares having one vote for such purposes for each Series G Preferred Share held.

24. CLASS AAA PREFERENCE SHARES, SERIES W

The twenty-third series of Class AAA Preference Shares shall consist of 3,816,527 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series W which replace the "$25

Floating Rate Cumulative Redeemable Preferred Shares Series J" of BPO Properties Ltd. (the Class AAA Preference Shares, Series W shall hereinafter be referred to as the "**Series J Preferred Shares**") and, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 The holders of the Series J Preferred Shares shall be entitled to receive, as and when declared by the Board of Directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends as follows:

(a) an initial dividend (the "**Initial Dividend**") payable on May 14, 1986 (the "**Initial Dividend Payment Date**") in an amount per Series J Preferred Share equal to the amount obtained (rounded to five decimal places) when

(i) $25.00 multiplied by an annual rate equivalent to 70% of the Average Daily Prime Rate quoted by the Banks on February 17, 1986

is multiplied by

(ii) the number of days in the period from and including the date of issue of the Series J Preferred Shares to but excluding May 14, 1986 divided by 365;

and

(b) dividends payable quarterly (the "**Quarterly Dividends**") on the 14th day of each of the months of February, May, August and November in each year (the "**Dividend Payment Dates**") commencing with August 14, 1986 in respect of the period from and including the immediately preceding Dividend Payment Date to but excluding the next succeeding Dividend Payment Date in an amount per Series J Preferred Share calculated in accordance with clause 1.2 hereof.

Dividends shall accrue on a day-to-day basis.

1.2 The Quarterly Dividend to be paid per Series J Preferred Share on any Dividend Payment Date shall be the amount obtained when the Quarterly Dividend Rate is multiplied by $25.00.

For the purpose of the calculation of Quarterly Dividends on the Series J Preferred Shares on any Dividend Payment Date:

(a) "**Quarterly Dividend Rate**" means one-quarter of seventy percent (70%) of the Average Prime Rate for the three calendar months ending on the last day of the calendar quarter prior to the month during which the Dividend Payment Date for which the determination is being made falls.

(b) "**Banks**" means the Toronto-Dominion Bank and Bank of Montreal collectively, and the term "**Bank**" means one of the Banks and, for the purposes of this definition, "**Banks**" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks.

(c) "**Daily Prime Rate**" means, for either Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate.

(d) "**Average Daily Prime Rate**" means, for any day, the arithmetic average, rounded to the nearest one-one-hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one (but not both) of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other of such Banks and further provided that if on such day there shall be no Daily Prime Rate for either of the Banks, the Average Daily Prime Rate for such day shall be 1.50% above the average yield per annum on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for the weekly tender immediately preceding such day.

(e) "**Average Prime Rate**" means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period.

In any case where dividends are payable for a period (the "**Dividend Payment Period**") that ends on a date other than the day immediately preceding the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series J Preferred Share obtained when

(a) $25.00 multiplied by seventy percent (70%) of the Average Prime Rate for the period of ninety days ending on a date which is 45 days before the end of such Dividend Payment Period,

is multiplied by

(b) the number of days in such Dividend Payment Period divided by 365.

1.3 Payment of any dividends may be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless the 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 remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.4 If on any Dividend Payment Date, the dividend payable on such date is not paid in full on all the Series J Preferred Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by Board of Directors of the Corporation on which the Corporation shall have sufficient moneys or property properly applicable to the payment of the same. The holders of Series J Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

2. Information and Voting Rights

The holders of the Series J Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate eight

Quarterly Dividends (which term, for the purpose of this clause 2, shall include the Initial Dividend) on the Series J Preferred Shares in which case, and so long thereafter as any dividends on the Series J Preferred Shares continue to be in arrears, the holders of the Series J Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation other than any meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the Board of Directors of the Corporation and for such purpose the holders of the Series J Preferred Shares shall have one vote for each Series J Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series J Preferred Shares as provided in this clause, or who may be appointed as directors after such right shall have accrued and before a meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such general meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series J Preferred Shares and in default of the calling of such general meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series J Preferred Shares.

Any vacancy occurring among members of the Board of Directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this clause may be filled by the Board of Directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the Board of Directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the Board of Directors, the holders of at least 10% of the outstanding Series J Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

3. Purchase for Cancellation

Subject to the provisions of the *Canada Business Corporations Act* and other laws governing the Corporation, as now existing or hereafter amended, (such laws being hereinafter referred to as the "**Act**") and the articles of the Corporation, the Corporation may at any time or times purchase (if obtainable) the whole or any part of the outstanding Series J Preferred Shares either on the open market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders to all the holders of record of Series J Preferred Shares outstanding or in any other manner, at the lowest price or prices at which, in the opinion of the directors of the Corporation, such shares are then obtainable but not exceeding $25.00 per share together, in each case, with an amount equal to all accrued and unpaid dividends thereon up to the date of purchase which, for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding

Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of purchase, and the costs of purchase.

In the case of purchase of Series J Preferred Shares by tender, the Corporation shall give notice of its intention to invite tenders to all the holders of the Series J Preferred Shares by giving notice of such invitation to each holder of Series J Preferred Shares in accordance with the provisions from time to time of the by-laws of the Corporation respecting notice to shareholders. If upon any invitation for tenders under the provisions of this clause 3, the Corporation shall receive tenders of Series J Preferred Shares at the same price, which shares when added to any Series J Preferred Shares tendered at a lower price or prices aggregate a number greater than the number for which the Corporation is prepared to accept tenders, the Series J Preferred Shares so tendered at the same price which the Corporation determines to purchase shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the total number of Series J Preferred Shares so tendered by each of the holders of Series J Preferred Shares who submitted tenders at such price. Any Series J Preferred Shares so purchased shall be cancelled and not reissued. If part only of the Series J Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

4. Redemption at the Option of the Corporation

Series J Preferred Shares shall not be redeemable at the option of the Corporation prior to March 4, 1991. Subject to the provisions of the Act and the Articles of the Corporation, the Corporation may, upon giving notice as hereinafter provided, at any time on or after March 4, 1991, redeem the whole or from time to time any part of the then outstanding Series J Preferred Shares on payment for each share to be redeemed of a price of $25.00 together, in each case, with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption, which, for greater certainty, shall include dividends calculated in accordance with clause 1 hereof during the period from and including the immediately preceding Dividend Payment Date to but excluding the date fixed for redemption, (the whole constituting and being herein referred to as the "**Redemption Price**"). If the Corporation desires to redeem only part of the Series J Preferred Shares, the Series J Preferred Shares to be redeemed shall be selected by lot in single shares or in units of 10 shares or less in such manner as the Board of Directors of the Corporation may determine or *pro rata* disregarding fractions.

Any Series J Preferred Shares which are so redeemed shall be cancelled and not reissued.

5. Manner of Redemption

In the case of any redemption of Series J Preferred Shares pursuant to clause 4 hereof, the Corporation shall, at least 30 days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series J Preferred Shares to be redeemed, of the intention of the Corporation to redeem such Series J Preferred Shares. Any such notice shall be validly and effectively given on the date it is delivered to the holder of Series J Preferred Shares for whom it is intended or is sent by prepaid first class mail addressed to such holder at his address as it appears on the books of the Corporation, or in the event of the address of such holder not so appearing, then to the address of such holder last known to the Corporation, provided however, that the accidental failure or omission to give such notice as aforesaid to one or more holders shall not affect the validity of the redemption, but upon the failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the date (the "**Redemption Date**") on which the redemption is to take place, the Redemption Price and, unless all the Series J Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series J Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Series J Preferred Shares so called for redemption the Redemption Price therefor

on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series J Preferred Shares so called for redemption. Payment of the Redemption Price shall be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series J Preferred 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 J Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series J Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of the Series J Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series J Preferred Shares, to deposit the aggregate Redemption Price of the Series J Preferred Shares so called for redemption or of such of the Series J Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series J Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series J Preferred Shares. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Series J Preferred Shares in respect whereof such deposit shall have been made, shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series J Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed (including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

6. Restrictions on Dividends, Retirement and Issue of Shares

Subject to the provisions of the Act, as long as any Series J Preferred Shares are outstanding, the Corporation shall not, without prior approval of the holders of such outstanding Series J Preferred Shares given in the manner hereinafter specified:

(a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series J Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series J Preferred Shares); or

(b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series J Preferred Shares redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the Common Shares or shares of any other class of the Corporation ranking as to capital junior to the Series J Preferred Shares; or

(c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series J Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series J Preferred Shares; or

(e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption or purchase or reduction or return of capital, as the case may be, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends shall be payable, shall have been declared and paid or set apart for payment on the Series J Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the Series J Preferred Shares.

7. Liquidation, Dissolution and Winding-Up

In the event of 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 J Preferred Shares shall be entitled to be paid and to receive $25.00 per share plus an amount equal to all accrued and unpaid dividends thereon up to the date of payment, which for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series J Preferred Shares. Upon payment to the holders of the Series J Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

8. Interpretation

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

For the purposes of these share provisions, "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

In the event of the non-receipt of a cheque by the holder of Series J Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

9. Mail Service Disruption

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any share certificate to the holder of any Series J Preferred Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by means of publication once in each of two successive weeks in one daily English language newspaper of general circulation published in each of the Provinces of Canada and once in a daily French language newspaper of general circulation published in Montreal and notice so published shall be deemed to have been given on the date on which the first publication has taken place in the last of the Provinces of Canada;

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent for the Series J Preferred Shares at its principal offices in the cities of Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

10. Amendment

The provisions contained in clauses 1 to 11 both inclusive (including this clause) attaching to the Series J Preferred Shares or any of them may be deleted, varied, modified, amended or amplified by Articles of Amendment but only with the prior approval of the holders of the Series J Preferred Shares given in accordance with clause 11 hereof, in addition to any vote, authorization, confirmation or approval required by the Act.

11. Approval of Holders of Series J Preferred Shares

11.1 The approval of the holders of Series J Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the Act) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series J Preferred Shares or by a resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Series J Preferred Shares duly called for that purpose and held in accordance with the provisions of clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, mutatis mutandis, with Series J Preferred Shares having one vote for such purposes for each Series J Preferred Share held.

11.2 If the Series E Preferred Shares are subdivided and if the rights, privileges, restrictions and conditions attaching to the Series E Preferred Shares conform or are made to conform to those attaching to the Series J Preferred Shares, the Series E Preferred Shares may be changed into a similar number of Series J Preferred Shares without the approval of the holders of the Series J Preferred Shares.

25. CLASS AAA PREFERENCE SHARES, SERIES X

All terms used in Part I of this Exhibit which are defined in Part II of this Exhibit have the meaning in Part I of this Exhibit ascribed thereto in Part II of this Exhibit.

The twenty-fourth series of Class AAA Preference Shares of the Corporation shall consist of 300 shares designated Class AAA Preference Shares, Series X which replace the "Cumulative Redeemable Preferred Shares Series K" of BPO Properties Ltd. (the Class AAA Preference Shares, Series X shall hereinafter be referred to as the "**Series K Preferred Shares**") and, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

(a) In this Exhibit:

(i) "**Dividend Payment Date**" means September 18, 1986 and the Thursday following the third Wednesday of each month thereafter, except that if such Thursday is not a Business Day, the Dividend Payment Date will be the first Business Day following such Thursday;

(ii) "**Dividend Period**" means (i) in respect of the initial dividend on the Series K Preferred Shares, the period from and including the original date of issue of Series K Preferred Shares to but excluding September 18, 1986, and (ii) in respect of subsequent dividends on the Series K Preferred Shares, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date;

(iii) "**Dividend Rate**" means the Current Dividend Rate determined in an Auction of the Series K Preferred Shares conducted on the Business Day next preceding the commencement of each Dividend Period (other than the initial Dividend Period), as contemplated in Part II hereof; provided that, if the Corporation fails to pay the full amount of any dividend when due (whether or not declared) or fails to redeem any Series K Preferred Shares after it has given notice of redemption in respect thereof (A) for any reason except as a result of an accidental or inadvertent error or omission on the part of the Corporation or the Trust Company, or (B) as a result of an accidental or inadvertent error or omission on the part of the Corporation or the Trust Company which is not remedied within three Business Days from the applicable Dividend Payment Date or Redemption Date (as defined in Article 3 of this Part), as the case may be, the Dividend Rate will no longer be based on the results of an Auction and will be, during each subsequent Dividend Period, a rate per annum equal to the Bankers' Acceptance Rate in effect on the Business Day next preceding the commencement of such Dividend Period plus 0.40%.

(b) Except as otherwise provided in Article 1(c) of this Part, the holders of the Series K Preferred Shares shall be entitled to receive, as and when declared by the Board of Directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative, preferential cash dividends in the amount per share determined from time to time in accordance with the provisions of Article 1(d) of this Part to be paid on a Dividend Payment Date. Except as otherwise provided in Article 1(c) of this Part, the dividends on Series K Preferred Shares shall accrue from and include the original date of

issue of Series K Preferred Shares or accrue from and include the last Dividend Payment Date in respect of which dividends have been paid or made available for payment, whichever is later.

The Corporation shall pay to, or cause to be paid to, or to the order of, the holders of Series K Preferred Shares as they appear on the securities register of the Corporation on the Business Day next preceding the applicable Dividend Payment Date, dividends on such shares by cheques drawn on a Canadian chartered bank and payable at par at any branch of such bank in Canada unless any such holder requests, by notice in writing received by the Corporation or the Trust Company no less than seven (7) Business Days prior to a Dividend Payment Date, to receive payment of all such dividends by wire transfer, and provides in such notice an account number at a specified branch in Canada of a Canadian chartered bank to which the Corporation may cause such dividends to be wire transferred. In such a case, the Corporation shall instruct its bankers, or cause instructions to be given to a Canadian chartered bank, to wire transfer the amount of all such dividends to the account designated by each such holder in his notice to the Corporation or the Trust Company. Any such notification by a registered holder shall remain in effect until such registered holder ceases to be a registered holder or until cancelled or superseded by subsequent notice in writing received by the Corporation or the Trust Company no less than seven (7) Business Days prior to a Dividend Payment Date.

The delivery or mailing of such cheques or the receipt of a confirmation from a Canadian chartered bank that such bank has carried out instructions with respect to the wire transfer of the amount of any such dividend, by the Corporation or the Trust Company, shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless, in the case of payment by cheque, the 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 remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

If on any Dividend Payment Date, the dividend payable on such date is not paid in full on all the Series K Preferred Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by Board of Directors of the Corporation on which the Corporation shall have sufficient moneys or property properly applicable to the payment of the same. The holders of Series K Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

(c) In the event the Corporation exercises its option to redeem any of the Series K Preferred Shares pursuant to Article 3 of this Part, the Board of Directors of the Corporation may declare (i) on all Series K Preferred Shares out of the monies properly applicable to the payment of dividends, a dividend in an amount per share equal to all accrued and unpaid dividends on each such share calculated (in accordance with Article 1(d) of this Part) to the Redemption Date (as defined in Article 3 of this Part) to be paid on such Redemption Date or on such other date as may be determined in accordance with Article 3 of this Part, and (ii) on the Series K Preferred Shares which are not to be redeemed as a result of the Corporation exercising its option to redeem any of the Series K Preferred Shares pursuant to Article 3 of this Part, out of the monies properly applicable to the payment of dividends, a dividend in an amount per share equal to all accrued and unpaid dividends on each such

share calculated (in accordance with Article 1(d) of this Part) from and including the Redemption Date to but excluding the next succeeding Dividend Payment Date, to be paid on such next succeeding Dividend Payment Date. In such event, the provisions of Article 1(b) and Article 3 of this Part, to the extent applicable, shall apply mutatis mutandis to the payment of any such dividend unless otherwise inconsistent.

(d) The amount of the dividend payable on each outstanding Series K Preferred Share:

(i) on September 18, 1986 shall be the amount (rounded to the nearest cent) equal to the product of (1) $500,000, (2) the greater of (A) 4.949% and (B) 60.178% of Bankers' Acceptance Rate on September 15, 1986 determined in accordance with the provisions set out in Article 1(d) of Part II, mutatis mutandis, and (3) the number of days from and including the original date of issue to but excluding September 18, 1986, all divided by 365; and

(ii) on any subsequent Dividend Payment Date shall be the amount (rounded to the nearest cent) equal to the product of (1) $500,000, (2) the Dividend Rate for the applicable Dividend Period, and (3) the number of days in such Dividend Period, all divided by 365.

Subject to the foregoing, for purposes of calculating an amount measured by reference to accrued and unpaid dividends,

(i) the amount of any accrued and unpaid dividend in respect of any Series K Preferred Shares from the next preceding Dividend Payment Date to any particular date shall be the amount (rounded to the nearest cent) equal to the product of (1) $500,000, (2) the Dividend Rate for the applicable Dividend Period had such Dividend Period not been interrupted by a particular date, and (3) the number of days from and including the next preceding Dividend Payment Date to but excluding such particular date, all divided by 365; and

(ii) the amount of any accrued and unpaid dividend in respect of any Series K Preferred Shares from the Redemption Date to the next succeeding Dividend Payment Date shall be the amount (rounded to the nearest cent) equal to the product of (1) $500,000, (2) the Dividend Rate for what would otherwise have been the applicable Dividend Period had the Corporation not exercised its option to redeem the Series K Preferred Shares pursuant to Article 3 of this Part, and (3) the number of days from and including the Redemption Date to but excluding the next succeeding Dividend Payment Date, all divided by 365.

2. Information and Voting Rights

The holders of the Series K Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate twenty-four dividends on the Series K Preferred Shares, whether consecutive or not, in which case, and so long thereafter as any dividends on the Series K Preferred Shares continue to be in arrears, the holders of the Series K Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation other than any meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series (other than the Class AAA Preference Shares or Series K

Preferred Shares), but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the board of directors of the Corporation and for such purpose the holders of the Series K Preferred Shares shall have one vote for each Series K Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series K Preferred Shares as provided in this Article 2 of this Part, or who may be appointed as directors after such right shall have accrued and before a meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such general meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series K Preferred Shares and in default of the calling of such general meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series K Preferred Shares.

Any vacancy occurring among members of the board of directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this Article 2 of this Part may be filled by the board of directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the board of directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the board of directors, the holders of at least 10% of the outstanding Series K Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

3. Redemption at the Option of the Corporation

(a) Subject to Article 5 of this Part and to applicable law, the Corporation may, at its option, redeem in whole, or from time to time in part, the Series K Preferred Shares on the Business Day next preceding any Auction Date (the "**Redemption Date**") at a redemption price of $500,000 per share, provided that the Corporation shall not redeem any Series K Preferred Shares unless the board of directors of the Corporation shall have declared with respect to all Series K Preferred Shares, out of the monies properly applicable to the payment of dividends, a dividend in an amount per share equal to all accrued and unpaid dividends on each such share to the Redemption Date (such $500,000 redemption price plus such per share dividend being herein referred to together as the "**Redemption Price**").

(b) In case a part only of the Series K Preferred Shares is at any time to be redeemed, the number of shares so to be redeemed shall be determined by the board of directors of the Corporation and such shares shall be redeemed *pro rata* with adjustments at the discretion of the Corporation to avoid redemption of fractional shares.

4. Manner of Redemption

In the case of any redemption of Series K Preferred Shares pursuant to Article 3 of this Part, the Corporation shall, at least 10 days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series K Preferred Shares to be redeemed, of the intention of the Corporation to redeem such Series K Preferred Shares. Any such notice shall be validly and effectively given on the date it is delivered to the holder of Series K Preferred Shares for whom it is intended or is sent by prepaid first class mail addressed to such holder at his address as it appears on the books of the Corporation, or in the event of the address of such holder not so appearing, then to the address of such holder last known to the Corporation, provided, however, that the accidental failure or omission to give such notice as aforesaid to one or more holders shall not affect the validity of the redemption, but upon the failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the Redemption Date, the Redemption Price and, unless all the Series K Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series K Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to, or to the order of, the holders of the Series K Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series K Preferred Shares so called for redemption. Payment of the Redemption Price may be made by cheque of the Corporation or its paying agent unless any holder of Series K Preferred Shares being redeemed has requested pursuant to Article 1(b) of this Part to receive dividends by wire transfer in which case the Corporation shall instruct its bankers, or cause instructions to be given to a Canadian chartered bank, to wire transfer the amount of the Redemption Price to the account designated by each such holder in his notice to the Corporation or the Trust Company. Such payment or the receipt of a confirmation from a Canadian chartered bank that such bank has carried out instructions with respect to the wire transfer of the amount of such Redemption Price, by the Corporation or the Trust Company, shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series K Preferred Shares so called for redemption unless, in the case of payment by cheque, the cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series K Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series K Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of the Series K Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series K Preferred Shares, to deposit the aggregate Redemption Price of the Series K Preferred Shares so called for redemption or of such of the Series K Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series K Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series K Preferred Shares. Upon such deposit being made, the rights of the holders of the Series K Preferred Shares in respect whereof such deposit shall have been made shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series K Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed

(including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

Series K Preferred Shares which have been redeemed by the Corporation shall be cancelled.

5. Restrictions on Dividends, Retirement and Issue of Shares

As long as any Series K Preferred Shares are outstanding, the Corporation shall not, without prior approval of the holders of such outstanding Series K Preferred Shares given in the manner hereinafter specified:

(a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series K Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series K Preferred Shares); or

(b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series K Preferred Shares, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the Common Shares or shares of any other class of the Corporation ranking as to capital junior to the Series K Preferred Shares; or

(c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series K Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series K Preferred Shares; or

(e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption or purchase or reduction or return of capital, as the case may be, all accrued and unpaid cumulative dividends up to and including the dividend payable on the immediately preceding Dividend Payment Date, shall have been declared and paid or set apart for payment on the Series K Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all outstanding Class AAA Preference Shares and all other shares ranking as to dividends prior to or *pari passu* with the Series K Preferred Shares.

6. Liquidation, Dissolution and Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholder for the purpose of winding-up its affairs, whether voluntary or involuntary, the holders of the Series K Preferred Shares shall be entitled to be paid and to receive $500,000 per share plus an amount equal to all accrued and unpaid dividends thereon to but excluding the date of payment, before any amount shall be paid or any assets of the Corporation shall be distributed to the holders

of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series K Preferred Shares. Upon payment to the holders of the Series K Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

7. Interpretation

In the event that any date on or by which any action is required to be taken by the Corporation hereunder is not a Business Day, then such action shall be required to be taken on or by the next succeeding day that is a Business Day.

In the event of the non-receipt of a cheque by the holder of Series K Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

8. Mail Service Disruption

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any share certificate to the holder of any Series K Preferred Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by means of telex, telecopier or telegraph or by means of publication once in each of two successive weeks in one daily English language newspaper of general circulation published in each of the Provinces of Canada and once in a daily French language newspaper of general circulation published in Montreal. Notice given by telex, telecopier or telegraph shall be deemed to have been given on the day on which it is sent and notice given by publication shall be deemed to have been given on the date on which the first publication has taken place in the last of the Provinces of Canada;

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent at its principal office in Toronto and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

9. Amendment

The provisions contained in Articles 1 to 10 inclusive (including this Article) of this Part and in Part II or any of them may be deleted, varied, modified, amended or amplified by Articles of Amendment but only with the prior approval of the holders of the Series K Preferred Shares given in accordance with Article 10 of this Part, in addition to any vote, authorization, confirmation or approval required by the Act.

10. Approval of Holders of Series K Preferred Shares

The approval of the holders of Series K Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the *Canada Business Corporations Act* and other laws governing the Corporation as now existing or hereafter amended) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series K Preferred Shares or by a resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Series K Preferred Shares duly called for that purpose and held in accordance with the provisions of clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, *mutatis mutandis*, with Series K Preferred Shares having one vote for such purposes for each Series K Preferred Share held.

PART II

All terms used in Part II of this Exhibit which are defined in Part I of this Exhibit have the meaning in Part II of this Exhibit ascribed to them in Part I of this Exhibit.

1. Certain Definitions

In this Exhibit:

(a) "**Auction**" means the periodic operation of the procedures set forth in this Part;

(b) "**Auction Date**" means the Business Day next preceding a Dividend Payment Date;

(c) "**Available Shares**" has the meaning specified in paragraph (i) of Article 4(a) of this Part;

(d) "**Bankers' Acceptance Rate**" means with respect to any Dividend Period (other than the initial Dividend Period), the rate per annum equal to: (A) the simple average of each rate per annum which is equal to the simple average of the bid and ask rates of the yields to maturity quoted by each of Dominion Securities Pitfield Limited (or any successor) and McLeod Young Weir Limited (or any successor) (rounded upward to the nearest one thousandth of one percent), as at 10:00 a.m., Toronto time, on the Auction Date next preceding such Dividend Period, on 30-day bankers' acceptance accepted by such of the Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, The Royal Bank of Canada and The Bank of Nova Scotia as are accepting 30-day bankers' acceptances on such Auction Date; (B) in the event that one of Dominion Securities Pitfield Limited (or any successor) and McLeod Young Weir Limited (or any successor) is unable or does not for any reason quote the bid and ask rates per annum referred to in (A) above, as at 10:00 a.m., Toronto time, on such Auction Date, the simple average of the bid and ask rates per annum referred to in (A) above quoted by the other; or (C) in the event that both Dominion Securities Pitfield Limited (or any successor) and McLeod Young Weir Limited (or any successor) are unable to or do not for any reason quote rates, as at 10:00 a.m., Toronto time, on such Auction Date (including without limitation, where none of the Bank of Montreal, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, The Royal Bank of Canada or The Bank of Nova Scotia is accepting 30-day bankers' acceptances on such Auction Date) for the purpose of determining the Bankers' Acceptance Rate in accordance with (A) or (B) above, the simple average of each rate per annum which is equal to the simple average of the bid and ask rates of the yields to maturity quoted by each of Dominion Securities Pitfield Limited (or any successor) and McLeod Young Weir Limited (or any successor) (rounded upward to the nearest one thousandth of

one percent), as of 10:00 a.m., Toronto time, on such Auction Date, on 91-day Government of Canada Treasury Bills maturing 30 days from such Auction Date plus 0.20%;

(e) "**Bid**" and "**Bids**" have the respective meanings specified in Article 2(a) of this Part;

(f) "**Bidder**" and "**Bidders**" have the respective meanings specified in Article 2(a) of this Part;

(g) "**Business Day**" means a day on which The Toronto Stock Exchange or any successor stock exchange and the Trust Company are open for business;

(h) "**Current Dividend Rate**" is the rate per annum which the Trust Company advises the Corporation has been determined in accordance with Article 4(b) of this Part;

(i) "**Dealer**" means any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part that has entered into a Dealer Agreement with the Trust Company that remains effective;

(j) "**Dealer Agreement**" means an agreement between the Trust Company and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part;

(k) "**Existing Holder**" means a person who has signed a Purchaser's Letter, has delivered or caused to be delivered such Purchaser's Letter to the Trust Company and is registered in the ledger maintained by the Trust Company in respect of such persons;

(l) "**held by**" with respect to any Series K Preferred Shares registered in the name of the Trust Company as permitted by the Trust Company Agreement includes such shares beneficially owned by an Existing Holder but does not include, with respect to such shares, the Trust Company;

(m) "**Hold Order**" and "**Hold Orders**" have the respective meanings specified in Article 2(a) of this Part;

(n) "**Maximum Rate**" with respect to any Dividend Period means the Bankers' Acceptance Rate plus 0.40%;

(o) "**Order**" and "**Orders**" have the respective meanings specified in Article 2(a) of this Part;

(p) "**Potential Holder**" means any person, including any Existing Holder, (i) who has executed a Purchaser's Letter and delivered or caused to be delivered such Purchaser's Letter to the Trust Company and (ii) who may be interested in acquiring Series K Preferred Shares (or, in the case of an Existing Holder, additional Series K Preferred Shares);

(q) "**Purchaser's Letter**" means a letter addressed to the Trust Company and a Dealer in which a person agrees, among other things, to be bound by the procedures set forth in this Part in the event such person participates in an Auction;

(r) "**Remaining Shares**" has the meaning specified in paragraph (iv) of Article 5(a) of this Part;

(s) "**Sell Order**" and "**Sell Orders**" have the respective meanings specified in Article 2(a) of this Part;

(t) "**Submission Deadline**" means 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Trust Company from time to time, by which Dealers are required to submit Orders to the Trust Company;

(u) "**Submitted Bid**" and "**Submitted Bids**" have the respective meanings specified in Article 4(a) of this Part;

(v) "**Submitted Hold Order**" and "**Submitted Hold Orders**" have the respective meanings specified in Article 4(a) of this Part;

(w) "**Submitted Order**" and "**Submitted Orders**" have the respective meanings specified in Article 4(a) of this Part;

(x) "**Submitted Sell Order**" and "**Submitted Sell Orders**" have the respective meanings specified in Article 4(a) of this Part;

(y) "**Sufficient Clearing Bids**" has the meaning specified in Article 4(a) of this Part;

(z) "**Trust Company**" means Royal Trust Corporation of Canada or any successor trust company or other person entering into a Trust Company Agreement with the Corporation in respect of the Series K Preferred Shares;

(aa) "**Trust Company Agreement**" means an agreement made between the Trust Company and the Corporation which provides, among other things, that the Trust Company will follow the procedures set forth in this Part for the purposes of determining the Current Dividend Rate for the Series K Preferred Shares so long as the Current Dividend Rate is to be based on the results of an Auction; and

(bb) "**Winning Bid Rate**" is the rate per annum determined in accordance with Article 4(a) of this Part.

2. Orders by Existing Holders and Potential Holders

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

(i) each Existing Holder may submit to a Dealer information as to the number of Series K Preferred Shares, if any, held by such Existing Holder which such Existing Holder:

(A) desires to continue to hold without regard to the Current Dividend Rate for the next succeeding Dividend Period; and/or

(B) desires to continue to hold, provided that the Current Dividend Rate for the next succeeding Dividend Period shall not be less than the rate per annum specified by such Existing Holder; and/or

(C) offers to sell without regard to the Current Dividend Rate for the next succeeding Dividend Period;

and

(ii) Potential Holders may submit to a Dealer offers to purchase Series K Preferred Shares, provided that the Current Dividend Rate for the next succeeding Dividend Period shall not be less than the rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this Article 2(a) is an "**Order**" and, collectively, are "**Orders**", and each Existing Holder and each Potential Holder placing an Order is a "**Bidder**" and, collectively, are "**Bidders**"; an Order containing the information referred to in subparagraph (i)(A) of this Article 2(a) is a "**Hold Order**" and, collectively, are "**Hold Orders**"; an Order containing the information referred to in subparagraph (i)(B) or paragraph (ii) of this Article 2(a) is a "**Bid**" and, collectively, are "**Bids**"; and an Order containing the information referred to in subparagraph (i)(C) of this Article 2(a) is a "**Sell Order**" and, collectively, are "**Sell Orders**."

(b) (i) A Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(A) the number of Series K Preferred Shares specified in such Bid if the Winning Bid Rate determined on such Auction Date is less than the rate specified in such Bid; or

(B) the specified number of Series K Preferred Shares or a lesser number to be determined as set forth in paragraph (iv) of Article 5(a) of this Part if the Winning Bid Rate determined on such Auction Date is equal to the rate specified in such Bid; or

(C) the number of Series K Preferred Shares specified in such Bid if the rate specified in such Bid is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or

(D) a lesser number of Series K Preferred Shares to be determined as set forth in paragraph (iii) of Article 5(b) of this Part if the rate specified in such Bid is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(A) the number of Series K Preferred Shares specified in such Sell Order; or

(B) a lesser number of Series K Preferred Shares to be determined as set forth in paragraph (iii) of Article 5(b) of this Part if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(A) the number of Series K Preferred Shares specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the rate specified in such Bid; or

(B) the specified number or a lesser number of Series K Preferred Shares to be determined as set forth in paragraph (v) of Article 5(a) of this Part if the Winning Bid Rate determined on such Auction Date is equal to the rate specified in such Bid; or

(C) the specified number of Series K Preferred Shares if the rate specified in such Bid is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.

3. Submission of Orders by Dealers to the Trust Company

(a) Each Dealer shall submit to the Trust Company in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order:

(i) the name of the Bidder placing such Order;

(ii) the aggregate number of Series K Preferred Shares that are the subject of the Order;

(iii) to the extent that the Bidder is an Existing Holder, the number of Series K Preferred Shares, if any, subject to any:

(A) Hold Order placed by such Existing Holder;

(B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or

(C) Sell Order placed by such Existing Holder; and

(iv) to the extent the Bidder is a Potential Holder, the rate specified in such Bid of such Potential Holder.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Trust Company shall round such rate up to the next highest one thousandth of one percent.

(c) If for any reason an Order or Orders covering in the aggregate all the Series K Preferred Shares held by any Existing Holder is not submitted to the Trust Company prior to the Submission Deadline, the Trust Company shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Series K Preferred Shares held by such Existing Holder and not subject to Orders submitted to the Trust Company.

(d) If one or more Orders covering in the aggregate more than the number of Series K Preferred Shares held by any Existing Holder are submitted to the Trust Company, such Orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Series K Preferred Shares held by such existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Series K Preferred Shares subject to such Hold Orders exceeds the number of Series K Preferred Shares held by such Existing Holder, the number of Series K Preferred Shares subject to each such Hold Order shall be reduced pro rata to cover the number of Series K Preferred Shares held by such Existing Holder;

(ii) (A) any Bid shall be considered valid up to and including the excess of the number of Series K Preferred Shares held by such Existing Holder over the number of Series K Preferred Shares subject to any Hold Order referred to in paragraph (i) of this Article 3(d), (B) subject to subparagraph (A) hereof, if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the number of Series K Preferred Shares subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Series K Preferred Shares subject to each Bid with the same rate shall be reduced pro rata to cover the number of Series K Preferred Shares equal to such excess, (C) subject to subparagraph (A) hereof, if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess, and (D) in any event, the number, if any, of such Series K Preferred Shares subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Series K Preferred Shares held by such Existing Holder over the sum of the Series K Preferred Shares subject to Hold Orders referred to in paragraph (i) of this Article 3(d) and valid Bids by Existing Holders referred to in paragraph (ii) of this Article 3(d).

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

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

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

(i) the excess of (a) the total number of Series K Preferred Shares held by Existing Holders issued and outstanding over (b) the number of Series K Preferred Shares that are the subject of Submitted Hold Orders (such excess being the "**Available Shares**");

(ii) from the Submitted Orders, whether:

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

exceeds or is equal to the sum of:

(B)
- the number of Series K Preferred Shares that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate; and
- the number of Series K Preferred Shares that are the subject of Submitted Sell Orders;

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

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids which if the Trust Company accepted:

(A)
- each Submitted Bid from Existing Holders specifying that lowest rate, and
- all other Submitted Bids from Existing Holders specifying lower rates, thus entitling those Existing Holders to continue to hold the Series K Preferred Shares that are the subject of those Submitted Bids; and

(B)
- each Submitted Bid from Potential Holders specifying that lowest rate, and
- all other submitted Bids from Potential Holders specifying lower rates, thus entitling those Potential Holders to purchase the Series K Preferred Shares that are the subject of those Submitted Bids;

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

(b) Promptly after the Trust Company has made the determinations pursuant to Article 4(a) of this Part, the Trust Company shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Series K Preferred Shares for the next succeeding Dividend Period (the "**Current Dividend Rate**") as follows:

(i) if Sufficient Clearing Bids exist, that the Current Dividend Rate for the next succeeding Dividend Period shall be equal to the Winning Bid Rate so determined;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Series K Preferred Shares are the subject of Submitted Hold Orders), that the Current Dividend Rate for the next succeeding Dividend Period shall be equal to the Maximum Rate; or

(iii) if all of the Series K Preferred Shares are the subject of Submitted Hold Orders, that the Current Dividend Rate for the next succeeding Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate.

5. Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to Article 4(a) of this Part, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Trust Company shall take such other action as set forth below:

(a) If Sufficient Clearing Bids have been made, subject to the provisions of Articles 5(c) and 5(d) of this Part, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) (A) the Submitted Sell Order of each Existing Holder shall be accepted and (B) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Series K Preferred Shares that are the subject of such Submitted Sell Order and such Submitted Bid;

(ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Series K Preferred Shares that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Series K Preferred Shares that are the subject of such Submitted Bid;

(iv) the Submitted Bid of each Existing Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Series K Preferred Shares that are the subject of such Submitted Bid, unless the number of Series K Preferred Shares subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Series K Preferred Shares subject to Submitted Bids described in paragraphs (ii) and (iii) of this Article 5(a) (the "**Remaining Shares**"). In this event, the Submitted Bids of each such Existing Holder described in this paragraph (iv) shall be rejected and each such Existing Holder shall be required to sell Series K Preferred Shares, but only in an amount equal to the difference between (A) the number of Series K Preferred Shares then held by such Existing Holder subject to such Submitted Bid and (B) the number of Series K Preferred Shares obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Series K Preferred Share held by such Existing Holder subject to such Submitted Bid, and the denominator

of which shall be the sum of the number of Series K Preferred Shares subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the number of Series K Preferred Shares obtained by multiplying (A) the difference between the total number of Available Shares and the number of Series K Preferred Shares subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) of this Article 5(a) by (B) a fraction, the numerator of which shall be the number of Series K Preferred Shares subject to such Submitted Bid and the denominator of which shall be the sum of the number of Series K Preferred Shares subject to such Submitted Bids made by all Potential Holders who specified rates equal to the Winning Bid Rate;

(b) If Sufficient Clearing Bids have not been made (other than because all of the Series K Preferred Shares are subject to Submitted Hold Orders), subject to the provisions of Articles 5(c) and 5(d) of this Part, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Series K Preferred Shares that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential Holder to purchase the Series K Preferred Shares that are the subject of such Submitted Bid; and

(iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Series K Preferred Shares then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Series K Preferred Shares obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Series K Preferred Shares subject to Submitted Bids described in paragraphs (i) and (ii) of this Article 5(b) by (y) a fraction, the numerator of which shall be the number of Series K Preferred Shares held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the number of Series K Preferred Shares subject to all such Submitted Bids and Submitted Sell Orders;

(c) If, as a result of the procedures described in Articles 5(a) or 5(b) of this Part, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Series K Preferred Share on any Auction Date, the Trust Company shall, in such manner as it shall determine in its sole discretion, round up or down the number of Series K Preferred Shares to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased

or sold by each Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be whole Series K Preferred Shares;

(d) If, as a result of the procedures described in Article 5(a) of this Part, any Potential Holder would be entitled or required to purchase a fraction of a Series K Preferred Share on any Auction Date, the Trust Company shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole Series K Preferred Shares are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Series K Preferred Shares on such Auction Date; and

(e) Based on the results of each Auction, the Trust Company shall determine to which Potential Holder or Potential Holders purchasing Series K Preferred Shares an Existing Holder or Existing Holders shall sell Series K Preferred Shares being sold by such Existing Holder or Existing Holders.

6. Miscellaneous

In the event that there is any inconsistency, ambiguity or uncertainty in the interpretation or application of the procedures set forth in this Part, the Board of Directors of the Corporation (or any person or persons designated by the Board of Directors) may, in such manner as they shall determine in their sole discretion, interpret such procedures in order to deal with any such inconsistency, ambiguity or uncertainty.

7. Headings of Sections

The headings of the various sections in this Part are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

26. CLASS AAA PREFERENCE SHARES, SERIES Y

The twenty-fifth series of Class AAA Preference Shares shall consist of 2,847,711 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series Y which replace the "Cumulative Redeemable Preferred Shares Series M" of BPO Properties Ltd. (the Class AAA Preference Shares, Series Y shall hereinafter be referred to as the "**Series M Preferred Shares**") and, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 The holders of the Series M Preferred Shares shall be entitled to receive as and when declared by the Board of Directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends as follows:

(a) an initial dividend (the "**Initial Dividend**") in respect of the period from and including the date of initial issue of the Series M Preferred Shares to but excluding May 14, 1987 (the "**Initial Dividend Period**'), payable on May 14, 1987 (the "**Initial Dividend Payment Date**") in an amount per Series M Preferred Share equal to the amount obtained (rounded to five decimal places) when

(i) $25 multiplied by 7.84%

is multiplied by

(ii) the number of days in the Initial Dividend Period divided by 365;

and

(b) dividends payable quarterly (the "**Quarterly Dividends**") on the 14th day of each of the months of February, May, August and November in each year (the "**Dividend Payment Dates**") commencing with August 14, 1987 in respect of the period from and including the immediately preceding Dividend Payment Date to but excluding the next succeeding Dividend Payment Date in an amount per Series M Preferred Share calculated in accordance with clause 1.2 hereof.

Dividends shall accrue on a day-to-day basis.

1.2 The Quarterly Dividend to be paid per Series M Preferred Share on any Dividend Payment Date shall be the amount obtained when the Quarterly Dividend Rate is multiplied by $25.00.

For the purpose of the calculation of Quarterly Dividends on the Series M Preferred Shares on any Dividend Payment Date:

(a) "**Quarterly Dividend Rate**" means

(i) 1.96%, in the case of dividends payable on or before November 14, 1990; and

(ii) one-quarter of seventy percent (70%) of the Average Prime Rate for the three calendar months ending on the last day of the calendar quarter prior to the month during which the Dividend Payment Date for which the determination is being made falls, in the case of dividends payable after November 14, 1990.

(b) "**Banks**" means The Toronto-Dominion Bank and Bank of Montreal collectively, and the term "**Bank**" means one of the Banks and, for the purposes of this definition, "**Banks**" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks.

(c) "**Daily Prime Rate**" means, for either Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate.

(d) "**Average Daily Prime Rate**" means, for any day, the arithmetic average, rounded to the nearest one-one hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one (but not both) of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other of such Banks and further provided that if on such day there shall be no Daily Prime Rate for either of the Banks, the Average Daily Prime Rate for such day shall be 1.50% above the average yield per annum on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for the weekly tender immediately preceding such day.

(e) "**Average Prime Rate**" means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period.

In any case where dividends are payable for a period (the "**Dividend Payment Period**") that ends on a date other than the day immediately preceding the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series M Preferred Share obtained when

(i) $25.00 multiplied by seventy percent (70%) of the Average Prime Rate for the period of ninety days ending on a date which is 45 days before the end of such Dividend Payment Period,

is multiplied by

(ii) the number of days in such Dividend Payment Period divided by 365.

1.3 Payment of any dividends may be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless the 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 remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.4 If on any Dividend Payment Date, the dividend payable on such date is not paid in full on all the Series M Preferred Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by Board of Directors of the Corporation on which the Corporation shall have sufficient moneys or property properly applicable to the payment of the same. The holders of Series M Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

2. Information and Voting Rights

The holders of the Series M Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate eight Quarterly Dividends (which term, for the purposes of this clause 2, shall include the Initial Dividend) on the Series M Preferred Shares in which case, and so long thereafter as any dividends on the Series M Preferred Shares continue to be in arrears, the holders of the Series M Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation other than any meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the Board of Directors of the Corporation and for such purpose the holders of the Series M Preferred Shares shall have one vote for each Series M Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series M Preferred Shares as provided in this clause, or who may be appointed as directors after such right shall have accrued and before a meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at a general

meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such general meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series M Preferred Shares and in default of the calling of such general meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series M Preferred Shares.

Any vacancy occurring among members of the Board of Directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this clause may be filled by the Board of Directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the Board of Directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the Board of Directors, the holders of at least 10% of the outstanding Series M Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

3. Purchase for Cancellation

Subject to the provisions of the *Canada Business Corporations Act* and other laws governing the Corporation, as now existing or hereafter amended, (such laws being hereinafter referred to as the "**Act**") and the articles of the Corporation, the Corporation may at any time or times purchase (if obtainable) the whole or any part of the outstanding Series M Preferred Shares either on the open market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders to all the holders of record of Series M Preferred Shares outstanding or in any other manner, at the lowest price or prices at which, in the opinion of the directors of the Corporation, such shares are then obtainable but not exceeding $25.00 per share together, in each case, with an amount equal to all accrued and unpaid dividends thereon up to the date of purchase which, for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of purchase, and the costs of purchase.

In the case of purchase of Series M Preferred Shares by tender, the Corporation shall give notice of its intention to invite tenders to all the holders of the Series M Preferred Shares by giving notice of such invitation to each holder of Series M Preferred Shares in accordance with the provisions from time to time of the by-laws of the Corporation respecting notice to shareholders. If upon any invitation for tenders under the provisions of this clause 3, the Corporation shall receive tenders of Series M Preferred Shares at the same price, which shares when added to any Series M Preferred Shares tendered at a lower price or prices aggregate a number greater than the number for which the Corporation is prepared to accept tenders, the Series M Preferred Shares so tendered at the same price which the Corporation determines to purchase shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the total number of Series M Preferred Shares so tendered by each of the holders of Series M Preferred Shares who submitted tenders at such price. Any Series M Preferred Shares so purchased shall be cancelled and not reissued. If

part only of the Series M Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

4. Redemption at the Option of the Corporation

Series M Preferred Shares shall not be redeemable at the option of the Corporation prior to March 4, 1991. Subject to the provisions of the Act and the Articles of the Corporation, the Corporation may, upon giving notice as hereinafter provided, at any time on or after March 4, l991, redeem the whole or from time to time any part of the then outstanding Series M Preferred Shares on payment for each share to be redeemed of a price of $25.00 together, in each case, with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption, which, for greater certainty, shall include dividends calculated in accordance with clause 1 hereof during the period from and including the immediately preceding Dividend Payment Date to but excluding the date fixed for redemption, (the whole constituting and being herein referred to as the "**Redemption Price**"). If the Corporation desires to redeem only part of the Series M Preferred Shares, the Series M Preferred Shares to be redeemed shall be selected by lot in single shares or in units of 10 shares or less in such manner as the Board of Directors of the Corporation may determine or pro rata disregarding fractions.

Any Series M Preferred Shares which are so redeemed shall be cancelled and not reissued.

5. Manner of Redemption

In the case of any redemption of Series M Preferred Shares pursuant to clause 4 hereof, the Corporation shall, at least 30 days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series M Preferred Shares to be redeemed, of the intention of the Corporation to redeem such Series M Preferred Shares. Any such notice shall be validly and effectively given on the date it is delivered to the holder of Series M Preferred Shares for whom it is intended or is sent by prepaid first class mail addressed to such holder at his address as it appears on the books of the Corporation, or in the event of the address of such holder not so appearing, then to the address of such holder last known to the Corporation, provided however, that the accidental failure or omission to give such notice as aforesaid to one or more holders shall not affect the validity of the redemption, but upon the failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the date (the "**Redemption Date**") on which the redemption is to take place, the Redemption Price and, unless all the Series M Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series M Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Series M Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series M Preferred Shares so called for redemption. Payment of the Redemption Price shall be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series M Preferred 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 M Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series M Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of the Series M Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series M Preferred Shares, to deposit the aggregate Redemption Price of the Series M Preferred Shares so called for redemption or of such of the Series M Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series M Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series M Preferred Shares. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Series M Preferred Shares in respect whereof such deposit shall have been made, shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series M Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed (including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

6. Restrictions on Dividends, Retirement and Issue of Shares

Subject to the provisions of the Act, as long as any Series M Preferred Shares are outstanding, the Corporation shall not, without prior approval of the holders of such outstanding Series M Preferred Shares given in the manner hereinafter specified:

(a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series M Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series M Preferred Shares); or

(b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series M Preferred Shares redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the Common Shares or shares of any other class of the Corporation ranking as to capital junior to the Series M Preferred Shares; or

(c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series M Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series M Preferred Shares; or

(e) issue any additional Class AAA preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption or purchase or reduction or return of capital, as the case may be, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends shall be payable, shall have been declared and paid or set apart for payment on the Series M Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the Series M Preferred Shares.

7. Liquidation, Dissolution and Winding-Up

In the event of 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 M Preferred Shares shall be entitled to be paid and to receive $25.00 per share plus an amount equal to all accrued and unpaid dividends thereon up to the date of payment, which for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series M Preferred Shares. Upon payment to the holders of the Series M Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

8. Interpretation

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

For the purposes of these share provisions, "**Business Day**" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

In the event, of the non-receipt of a cheque by the holder of Series M Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non receipt, loss or destruction and indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

9. Mail Service Disruption

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any share certificate to the holder of any Series M Preferred Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by means of publication once in each of two successive weeks in one daily English language newspaper of general circulation published in each of the Provinces of Canada and once in a daily French language newspaper of general circulation published in Montreal and notice so published shall be deemed to have been given on the date on which the first publication has taken place in the last of the Provinces of Canada;

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent for the Series M Preferred Shares at its principal offices in the cities of Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

10. Amendment

Subject to the exception provided for in this clause 10, the provisions contained in clauses 1 to 11 both inclusive (including this clause) attaching to the Series M Preferred Shares or any of them may be deleted, varied, modified, amended or amplified by Articles of Amendment but only with the prior approval of the holders of the Series M Preferred Shares given in accordance with clause 11 hereof, in addition to any vote, authorization, confirmation or approval required by the Act. After November 14, 1990 holders of Series M Preferred Shares will not be entitled to vote separately as a series, nor shall such holders be entitled to dissent upon a proposal to amend the articles of the Corporation to reclassify and change the Series M Preferred Shares as and into $25.00 Floating Rate Cumulative Redeemable Preferred Shares Series J ("**Series J Preferred Shares**") provided that such proposal provides that the Series M Preferred Shares are to be reclassified and changed as and into Series J Preferred Shares on a one-for-one basis and the rights, privileges, restrictions and conditions attaching to the Series J Preferred Shares at such time are identical to the rights, privileges, restrictions and conditions attaching to the Series J Preferred Shares on the date hereof and the Series J Preferred Shares are otherwise as constituted on the date hereof.

11. Approval of Holders of Series M Preferred Shares

The approval of the holders of Series M Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the Act) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series M Preferred Shares or by a resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Series M Preferred Shares duly called for that purpose and held in accordance with the provisions of clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, mutatis mutandis, with Series M Preferred Shares having one vote for such purposes for each Series M Preferred Share held.

27. CLASS AAA PREFERENCE SHARES, SERIES Z

The twenty-sixth series of Class AAA Preference Shares shall consist of 800,000 shares designated Class AAA Preference Shares, Series Z which replace the "Cumulative Perpetual Preferred Shares Series N" of BPO Properties Ltd. (the Class AAA Preference Shares, Series Z shall hereinafter be referred to as the "**Series N Preferred Shares**") and, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

PART I

All terms used in Part I of these provisions respecting the Series N Preferred Shares which are defined in Part II hereof have the meaning ascribed to them in Part II hereof:

1. Payment of Dividends

(a) For the Initial Five Year Term, the holders of Series N Preferred 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 the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends in an amount determined in accordance with sections I.2(a) hereof payable on the Dividend Payment Dates in each year, the first of which dividends shall be paid on May 14, 1989 and the last of which dividends shall be paid on May 14, 1994.

(b) After the expiry of the Initial Five Year Term, for each Dividend Period falling within a Corporation Determined Term, the holders of Series N Preferred 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 the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section I.2(b) hereof payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.

(c) After the expiry of the Initial Five Year Term, for each Dividend Period falling within a Dealer Determined Term, the holders of Series N Preferred 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 the moneys of the Corporation properly applicable to the payment of dividends, quarterly cumulative preferential cash dividends in an amount determined in accordance with section I.2(c) hereof payable, with respect to each such Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period.

(d) After the expiry of the Initial Five Year Term, for each Auction Dividend Period falling within an Auction Term, the holders of Series N Preferred 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 the moneys of the Corporation properly applicable to the payment of dividends, monthly cumulative preferential cash dividends in an amount determined in accordance with section I.2(d) hereof payable, with respect to each such Auction Dividend Period, on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period.

The Corporation shall pay such dividends on the Series N Preferred Shares to the holders of record thereof at the close of business on the sixth Business Day immediately preceding the relevant Dividend Payment Date or Auction Dividend Payment Date (as applicable). Payment of any dividends may be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless the 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 remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

2. Amount of Dividends

(a) The dividend to be paid on each Series N Preferred Share during the Initial Five Year Term shall be the amount of $1.9625 per annum payable in equal quarterly instalments of $0.490625 on each Dividend Payment Date except the first dividend which shall be payable on May 14, 1989 and shall be in the amount of $1.9625 multiplied by a fraction of which the numerator is the number of days from and including the date of issue of the Series N Preferred Shares to but excluding the first Dividend Payment Date and the denominator is 365.

(b) Subject to section I.2(e) hereof, after the expiry of the Initial Five Year Term, for each Dividend Period included within a Corporation Determined Term, the dividend to be paid on each Series N Preferred Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying $25.00 by the Corporation Determined Quarterly Dividend Rate for such Dividend Period.

(c) Subject to section I.2(e) hereof, after the expiry of the initial Five Year Term, for each Dividend Period included within a Dealer Determined Term, the dividend to be paid on each Series N Preferred Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the amount obtained by multiplying $25.00 by the Dealer Determined Quarterly Dividend Rate for such Dividend Period.

(d) After the expiry of the Initial Five Year Term, for each Auction Dividend Period included within an Auction Term, the dividend to be paid on each Series N Preferred Share on the Auction Dividend Payment Date immediately following the end of such Auction Dividend Period shall be determined as follows:

(i) on the Auction Dividend Payment Date immediately following the end of the first Auction Dividend Period during any Auction Term, the dividend to be paid on each Series N Preferred Share be the amount which is the product of (1) $25.00, (2) 75% of the Bankers' Acceptance Rate (as defined in section V.1(d) hereof) determined as of the first Business Day of such Auction Dividend Period and (3) the number of days in the first Auction Dividend Period, divided by 365; and

(ii) on the Auction Dividend Payment Dates immediately following the end of the second and subsequent Auction Dividend Periods during any Auction Term, the dividend to be paid on each Series N Preferred Share shall be the amount which is the product of (1) $25.00, (2) the Current Dividend Rate for each such Auction Dividend Period as determined on the Auction Date immediately prior to the

beginning of such Auction Dividend Period and (3) the number of days in such Auction Dividend Period, divided by 365.

(e) After the expiry of the Initial Five Year Term, for the first Dividend Period included within a Corporation Determined Term or a Dealer Determined Term, in either case immediately following an Auction Term, the dividend to be paid on each Series N Preferred Share on the Dividend Payment Date immediately following the end of such Dividend Period shall be the product of (1) $25.00, (2) four times the Corporation Determined Quarterly Dividend Rate or the Dealer Determined Quarterly Dividend Rate, as the case may be, for such Dividend Period and (3) the number of days in such Dividend Period, divided by 365.

(f) If, for any reason, the dividend rate applicable hereunder is, in respect of any particular day, not determined or not determinable in accordance with the provisions hereof, the rate applicable in respect of such day shall be the Bankers' Acceptance Rate (as defined in section V.1(d) hereof) on such day plus 0.40%.

3. Cumulative Dividends

If on any Dividend Payment Date or Auction Dividend Payment Date the dividends accrued to such date are not paid in full on all Series N Preferred Shares then outstanding, such dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the Board of Directors of the Corporation on which the Corporation shall have sufficient moneys properly applicable to the payment of such dividends. The holders of Series N Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

4. Redemption at the Option of the Corporation

The Series N Preferred Shares shall not be redeemable at the option of the Corporation prior to the end of the Initial Five Year Term. Subject to the provisions of the *Canada Business Corporations Act* and other laws governing the Corporation, as now existing or hereafter amended (such laws being hereinafter referred to as the "**Act**") and the articles of the Corporation, the Corporation may, upon giving notice as hereinafter provided, at any time on or after the end of the Initial Five Year Term, redeem the whole or from time to time any part of the then outstanding Series N Preferred Shares on payment for each share to be redeemed of a price of $25.00 together, in each case, with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting and being herein referred to as the "**Redemption Price**"). If the Corporation desires to redeem only part of the Series N Preferred Shares, the Series N Preferred Shares to be redeemed shall be selected by lot in single shares or in units of 10 shares or less in such manner as the Board of Directors of the Corporation may determine or *pro rata* disregarding fractions.

Any Series N Preferred Shares which are so redeemed shall be cancelled and not reissued.

5. Manner of Redemption

In the case of any redemption of Series N Preferred Shares pursuant to section I.4 hereof, the Corporation shall, at least 30 (or, in the case of notice given during an Auction Term, 12) days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series N Preferred Shares to be redeemed of the intention of the Corporation to redeem such Series N Preferred Shares. Such notice shall set out the date (the "**Redemption Date**") on which the redemption is to take place (which date may not be a day during an Auction Term other than a Settlement Date), the Redemption Price and, unless all the Series N Preferred Shares held by the holder to whom it is

addressed are to be redeemed, the number of Series N Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Series N Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series N Preferred Share so called for redemption. Payment of the Redemption Price shall be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series N Preferred 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 N Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series N Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of Series N Preferred Shares represented by any certificate shall be redeemed a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series N Preferred Shares, to deposit the aggregate Redemption Price of the Series N Preferred Shares so called for redemption; or of such of the Series N Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series N Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series N Preferred Shares. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Series N Preferred Shares in respect whereof such deposit shall have been made shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series N Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed (including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

6. Purchase for Cancellation

Subject to the provisions of the Act and the articles of the Corporation, the Corporation may at any time or times purchase (if obtainable) the whole or any part of the outstanding Series N Preferred Shares by invitation for tenders to all the holders of record of Series N Preferred Shares outstanding at the lowest price or prices at which, in the opinion of the Board of Directors of the Corporation, such shares are then obtainable but not exceeding $25.00 per share together, in each case, with an amount equal to all accrued and unpaid dividends thereon up to but excluding the date of purchase, and the costs of purchase.

The Corporation shall give notice of its intention to invite tenders to all holders of Series N Preferred Shares by giving notice of such invitation to each holder of Series N Preferred Shares in accordance with the provisions from time to time of the by-laws of the Corporation respecting notice to shareholders. If, upon any invitation for tenders under the provisions of section I.6, the Corporation shall receive tenders of Series N Preferred Shares at the same price, which shares when added to any Series N Preferred Shares tendered at a lower price or prices aggregate a number greater than the number for which the Corporation is prepared to accept tenders, the Series N Preferred Shares so tendered at the same price which the

Corporation determines to purchase shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the total number of Series N Preferred Shares so tendered by each of the holders of Series N Preferred Shares who submitted tenders at such price. Any Series N Preferred Shares so purchased shall be cancelled and not reissued. If part only of the Series N Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

7. Restriction on Dividends and Retirement or Issue of Shares

Subject to the provisions of the Act, as long as any Series N Preferred Shares are outstanding, the Corporation shall not, without the prior approval of the holders of such outstanding Series N Preferred Shares given in the manner hereinafter specified:

(a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series N Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series N Preferred Shares); or

(b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series N Preferred Shares, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the common shares or shares of any other class of the Corporation ranking as to capital junior to the Series N Preferred Shares; or

(c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series N Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series N Preferred Shares; or

(e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares,

unless, at the date of such declaration, payment, setting apart for payment, redemption, call for redemption, purchase, reduction, return of capital or issue, as the case may be, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends shall be payable, shall have been declared and paid or set apart for payment on the Series N Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the Series N Preferred Shares.

8. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, the holders of Series N Preferred Shares shall be entitled to be paid and to receive $25.00 per

share plus an amount equal to all accrued and unpaid dividends thereon before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series N Preferred Shares. Upon payment to the holders of Series N Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

9. Information and Voting Rights

The holders of Series N Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at, any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate dividends with respect to Dividend Periods, whether or not consecutive, aggregating at least 24 months on the Series N Preferred Shares in which case, and so long thereafter as any dividends on the Series N Preferred Shares continue to be in arrears, the holders of Series N Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation other than any meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the Board of Directors of the Corporation and for such purpose the holders of the Series N Preferred Shares shall have one vote for each Series N Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of Series N Preferred Shares as provided in this section, or who may be appointed as directors after such right shall have accrued and before a meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at any other meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such other meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series N Preferred Shares and in default of the calling of such meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series N Preferred Shares.

Any vacancy occurring among members of the Board of Directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this section may be filled by the Board of Directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the Board of Directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the Board of Directors, the holders of at least 10% of the outstanding Series N Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the Board of Directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

PART II

1. Interpretation and Application

(a) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, the following expressions have the following meanings:

(i) "**Auction**" shall mean the periodic operation of the Auction Procedures;

(ii) "**Auction Date**" shall mean the third Wednesday of each calendar month of each Auction Dividend Period included within an Auction Term or, if such Wednesday is not a Business Day, the next preceding Business Day;

(iii) "**Auction Dividend Payment Date**" shall mean the first Business Day following the Settlement Date;

(iv) "**Auction Dividend Period**" shall mean, with respect to the first Auction Dividend Period of any Auction Term, the period from and including the immediately preceding Dividend Payment Date to but excluding the first Settlement Date and, with respect to any subsequent Auction Dividend Period of such Auction Term, shall mean the period from and including each Settlement Date to but excluding the next succeeding Settlement Date; for greater certainty, the first Auction Dividend Period of an Auction Term shall commence on the day immediately following the last day of the Initial Five Year Term and on the day immediately following the last day of each Corporation Determined Term and each Dealer Determined Term unless the provisions of Part III or Part IV hereof shall have been implemented prior to such day so as to result in a Corporation Determined Term or Dealer Determined Term commencing on such day;

(v) "**Auction Procedures**" shall mean the procedures set forth in Part V hereof for determining the applicable dividend rate for the Series N Preferred Shares from time to time during an Auction Term;

(vi) "**Auction Term**" shall mean any term of not less than two consecutive Auction Dividend Periods with respect to which the Auction Procedures apply commencing on the first day of the first of such Auction Dividend Periods and terminating on the last day of any subsequent Auction Dividend Period which immediately precedes the beginning of a Corporation Determined Term or a Dealer Determined Term, as the case may be;

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

(viii) "**Average Prime Rate**" shall mean, for any period consisting of one or more days, the arithmetic average, rounded to the nearest one-hundredth of one percent (0.01%), of the Average Daily Prime Rate for each day during such period;

(ix) "**Banks**" shall mean Canadian Imperial Bank of Commerce, The Royal Bank of Canada, The Toronto-Dominion Bank, Bank of Montreal and The Bank of Nova Scotia and the term "**Bank**" shall mean one of the Banks and, for the purposes of this definition, "**Banks**" shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks;

(x) "**Business Day**" shall mean a day on which The Toronto Stock Exchange or any successor stock exchange is open for business and, for the purpose of Part V hereof, the principal offices of the Auction Manager, in Toronto, Ontario, are open for business;

(xi) "**Corporation Determined Quarterly Dividend Rate**" shall have the meaning ascribed thereto in Part III hereof;

(xii) "**Corporation Determined Term**" shall mean a term selected by the Corporation consisting of one or more consecutive Dividend Periods, commencing on a Dividend Payment Date or a Settlement Date on or after May 14, 1994 and terminating on the last day of the last Dividend Period selected by the Corporation, to which the provisions of Part III hereof shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term, provided that such term and the dividend rate applicable thereto have been approved by the holders of Series N Preferred Shares in accordance with section III.3 hereof;

(xiii) "**Current Dividend Rate**" shall be the rate per annum which has been determined in accordance with section V.4(b) hereof for the next succeeding Auction Dividend Period;

(xiv) "**Daily Prime Rate**" shall mean, for any Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest such Bank will charge on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate;

(xv) "**Dealer Determined Quarterly Dividend Rate**" shall have the meaning ascribed to that term in Part IV hereof;

(xvi) "**Dealer Determined Term**" shall mean a term selected by a Dealer consisting of one or more consecutive Dividend Periods, commencing on a Dividend Payment Date or Settlement Date on or after May 14, 1994 and terminating on the last day of the last Dividend Period selected by such Dealer, to which the provisions of Part IV hereof shall apply for the purpose of determining the dividend to be paid on each Dividend Payment Date relating to such term;

(xvii) "**Dividend Payment Dates**" shall mean the fourteenth day of each of the months of February, May, August and November in each year commencing May 14, 1989;

(xviii) "**Dividend Period**" shall mean the period from and including the date of issue of the Series N Preferred Shares to but excluding the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date except for the first Dividend Period following an Auction Term in which case "Dividend Period" shall mean the period from and including the most recent Settlement Date of the Auction Term to but excluding the next succeeding Dividend Payment Date which falls at least three calendar months after the said Settlement Date;

(xix) "**hereof**" and similar expressions mean or refer to the provisions relating to the Series N Preferred Shares;

(xx) "**Initial Five Year Term**" shall mean the period from and including the date of issue of the Series N Preferred Shares to but excluding May 14, 1994;

(xxi) "**Reuters Screen**" means the display designated as page "CDOR" on the Reuter Monitor Money Rates Service (or such other page as may replace the CDOR page on that service) for the purpose of displaying Canadian dollar bankers' acceptance rates and Government of Canada Treasury bill rates; and

(xxii) "**Settlement Date**" shall mean the first Business Day following an Auction Date.

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

(c) In the event of the non-receipt of a cheque by a holder of Series N Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

(d) The provisions of Part III hereof with respect to the fixing of a Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term may be initiated by the Corporation no earlier than 60 days and no later than 45 days prior to the end of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period (other than during the first Auction Dividend Period within an Auction Term), as the case may be, provided that in such circumstances such provisions are initiated no earlier than 60 days and no later than 45 days prior to the end of the current Corporation Determined Term or Dealer Determined Term or are initiated no earlier than 25 days and no later than 20 days prior to the end of the current Auction Dividend Period, as the case may be.

(e) The provisions of Part IV hereof with respect to the solicitation of Dealer Offers for the purpose of fixing a Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term may be initiated by the Corporation no earlier than 30 days and no later than 25 days

prior to the end of the Initial Five Year Term and, thereafter, may be used by the Corporation from time to time during any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period (other than during the first Auction Dividend Period within an Auction Term), as the case may be, provided that in such circumstances such provisions are initiated no earlier than 30 days and no later than 25 days prior to the expiry of the current Corporation Determined Term or Dealer Determined Term or are initiated no earlier than 13 days and no later than 10 days prior to the end of the current Auction Dividend Period, as the case may be.

(f) The provisions of Part V hereof shall apply following the end of the Initial Five Year Term and following the end of any Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, unless at any such time a Corporation Determined Quarterly Dividend Rate is in effect in accordance with the provisions of Part III hereof or a Dealer Determined Quarterly Dividend Rate is in effect in accordance with the provisions of Part IV hereof and the provisions of section IV.2(g) hereof are fully complied with.

(g) For the purposes hereof, including Part I, Part III, Part IV and Part V hereof, "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid dividends on the Series N Preferred Shares in respect of any Dividend Payment Date for any completed Dividend Period and in respect of any Auction Dividend Payment Date for any completed Auction Dividend Period and (ii) the amount calculated as though dividends on each Series N Preferred Share had been accruing on a day to day basis in a manner consistent with section I.2 hereof from and including the Dividend Payment Date or Auction Dividend Payment Date in respect of the most recently completed of the Dividend Periods or Auction Dividend Periods, as the case may be, to but excluding the date on which the computation of accrued dividends is to be made; provided that, for the purpose of calculating accrued and unpaid dividends payable on (x) the Redemption Date in the event notice of redemption of the Series N Preferred Shares has been given pursuant to the provisions of section I.5, (y) the purchase date in the case of any purchase of Series N Preferred Shares made under section I.6 or (z) the relevant date for the purposes of section I.8, the Average Prime Rate, if applicable to the calculation of the Corporation Determined Quarterly Dividend Rate for a Corporation Determined Term or to the calculation of the Dealer Determined Quarterly Dividend Rate for a Dealer Determined Term, shall be determined based on the period of 90 days ending on a day not more than 15 days prior to the Redemption Date or purchase date and set out in the applicable notice of redemption or invitation for tenders (as the case may be) or ending on the relevant date for the purposes of section I.8, as the case may be.

(h) The index and the headings of the various sections hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

2. Notices

(a) Any notice or other communication from the Corporation provided for herein, including without limitation any notice of redemption, shall be in writing and shall be sufficiently given if delivered or if sent by ordinary unregistered first class prepaid mail to the holders of Series N Preferred Shares at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation, or if given to such holders by telex or telecopier communication. Notwithstanding the foregoing, any notice given under Part III, IV or V hereof shall be given by telex or telecopier

communication, if possible. Accidental failure to give any notices or other communications to one or more holders of Series N Preferred Shares shall not affect the validity of the notices or other communications properly given or any action, including the redemption of all or any part of the Series N Preferred Shares, taken pursuant to such properly given notices or other communications but, upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders and shall have the same force and effect as if given in due time.

(b) If the Board of Directors of the Corporation determines that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any shares certificate to the holder of any Series N Preferred Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(i) give such notice by means of publication once in each of two successive weeks in newspapers of general circulation published or distributed in Toronto and Montreal; and

(ii) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the transfer agent for the Series N Preferred Shares at its principal office in Toronto, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (i) above, provided that as soon as the Board of Directors of the Corporation determines that mail service is no longer interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided.

(c) Notice given by the Corporation by mail shall be deemed to be given on the day upon which it is mailed unless on the day of such mailing an actual disruption of mail services has occurred in the province in or to which such notice is mailed. Notice given by the Corporation by publication shall be deemed to be given on the day on which the first publication is completed in each city in which notice is required to be published and notice given by the Corporation by telex or telecopier shall be deemed to be given on the day on which it is sent (or, if such day is not a Business Day, on the next following Business Day). Notice given to the Corporation pursuant to the provisions hereof shall be deemed to be given on the date of actual receipt thereof by the Corporation.

3. Amendment

The provisions hereof may be repealed, altered, modified or amended but only with the prior approval of the holders of Series N Preferred Shares given in accordance with section II.4 in addition to any vote, authorization, confirmation or approval required by the Act.

4. Approval of Holders of Series N Preferred Shares

The approval of the holders of Series N Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the Act) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series N Preferred Shares or by a resolution passed by at least 66⅔% of the votes cast at a meeting of the holders of Series N Preferred Shares duly called for that purpose and held in accordance with clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, mutatis mutandis.

5. Tax Election

The Corporation shall elect, in the manner and within the time provided under section 191.2 of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate such that, and shall take all other necessary action under such Act such that, no holder of Series N Preferred Shares shall be required to pay tax on dividends received on the Series N Preferred Shares under section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

PART III
CORPORATION DETERMINED RATE PROCEDURES

1. Definitions

For the purposes of this Part III, the following expressions have the following meanings:

(a) "**Bankers' Acceptance Rate**", for any day, shall mean the average bid rate for three-month Canadian dollar bankers' acceptances which appears on the Reuters Screen as of 10:00 a.m., Toronto time, on that day. If such rate does not appear on the Reuters Screen, the rate on that day shall be determined on the basis of the average quoted bid rates of the Banks for three-month Canadian dollar bankers' acceptances for settlement on that day accepted by the Banks as of 10:00 a.m., Toronto time, on that day;

(b) "**Corporation Determined Percentage**" shall mean a percentage of the Average Prime Rate or of the Bankers' Acceptance Rate to be selected by the Corporation and set forth in the notice referred to in section III.2 hereof;

(c) "**Corporation Determined Quarterly Dividend Rate**" shall mean one-quarter of the annual dividend rate specified by the Corporation in its notice pursuant to section III.2 hereof, which annual dividend rate shall be one of:

(i) the Corporation Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made based on the Average Prime Rate for the three calendar months ending on the last day of the calendar month prior to the calendar month during which the Dividend Payment Date for which the determination is being made falls;

(ii) the Corporation Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made; or

(iii) a fixed annual percentage rate.

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

2. Determination of New Dividend Rate

No earlier than 60 days and no later than 45 days prior to the end of the Initial Five Year Term or the current Corporation Determined Term or Dealer Determined Term or no earlier than 25 days and no later than 20 days prior to the end of the current Auction Dividend Period (and provided such Auction Dividend Period

is not the first Auction Dividend Period within the Auction Term), as the case may be, the Corporation may notify the holders of Series N Preferred Shares of a proposed Corporation Determined Quarterly Dividend Rate for a proposed Corporation Determined Term. Such notification to such holders shall also:

(i) specify a date by which each holder must notify the Corporation in writing of its acceptance of the proposed Corporation Determined Quarterly Dividend Rate and the proposed Corporation Determined Term, if such holder intends to accept such rate and term, which date shall be at least 35 days prior to the end of the Initial Five Year Term or the current Corporation Determined Term or Dealer Determined Term or at least 15 days prior to the end of the current Auction Dividend Period, as the case may be; and

(ii) specify that the proposed Corporation Determined Quarterly Dividend Rate and the proposed Corporation Determined Term shall become effective for the purposes of determining the dividends to be paid on the Dividend Payment Dates for Dividend Periods during such proposed Corporation Determined Term only if all of the holders of Series N Preferred Shares accept such rate and term.

3. Acceptance of Corporation Determined Quarterly Dividend Rate

If,

(i) by the time prescribed in paragraph (i) of section III.2 hereof, all of the holders of Series N Preferred Shares have accepted the proposed Corporation Determined Quarterly Dividend Rate and the proposed Corporation Determined Term as evidenced by notice in writing to the Corporation, and

(ii) at least 30 days prior to the end of the Initial Five Year Term or the current Corporation Determined Term or Dealer Determined Term or at least 12 days prior to the end of the current Auction Dividend Period, as the case may be, the Corporation has notified all of such holders that each of them has agreed with the Corporation on such rate and term;

such Corporation Determined Quarterly Dividend Rate and Corporation Determined Term shall apply for the purposes of determining the dividend to be paid on the Series N Preferred Shares on each Dividend Payment Date in respect of Dividend Periods during such Corporation Determined Term.

4. Termination of Application

Notwithstanding the acceptance of a Corporation Determined Quarterly Dividend Rate and a Corporation Determined Term as provided for in this Part III, the Corporation may notify the holders of Series N Preferred Shares that the Corporation does not intend to implement application of the Corporation Determined Quarterly Dividend Rate and Corporation Determined Term as set forth in the notification to holders provided that such notification is given by the Corporation prior to the end of the Initial Five Year Term or the current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be. In such circumstances, the provisions of Part IV hereof may be applied in accordance with such Part, failing which the provisions of Part V hereof shall be applied in accordance with such Part. Any such notification shall not limit or restrict the right of the Corporation, prior to the expiry or any subsequent Corporation Determined Term, Dealer Determined Term or Auction Dividend period, as the

case may be, to implement the provisions of this Part III by forwarding a notification to the holders of Series N Preferred Shares.

5. Miscellaneous

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

PART IV
DEALER BIDS PROCEDURES

1. Definitions

For the purposes of this Part IV, the following expressions have the following meanings:

(a) "**Bankers' Acceptance Rate**", for any day, shall mean averaged bid rate for three-month Canadian dollar bankers' acceptances which appears on the Reuters Screen as of 10:00 a.m., Toronto time, on that day. If such rate does not appear on the Reuters Screen, the rate on that day shall be determined on the basis of the averaged quoted bid rates of the banks for three-month Canadian dollars bankers' acceptances for settlement on that day accepted by the Banks as of 10:00 a.m., Toronto time, on that day;

(b) "**Dealer**" shall mean any registered investment dealer or other person permitted by law to perform the functions required of a Dealer in this Part IV;

(c) "**Dealer Determined Percentage**" shall mean a percentage of the Average Prime Rate or the Bankers' Acceptance Rate to be selected by each Dealer and to be set forth in each Dealer Offer in accordance with section IV.2(b) hereof;

(d) "**Dealer Determined Quarterly Dividend Rate**" shall mean one-quarter of the annual dividend rate specified by the Dealer in the Accepted Dealer Offer referred to in section IV.2(c) hereof which shall be one of:

(i) the Dealer Determined Percentage of the Average Prime Rate determined quarterly for each Dividend Payment Date immediately following the Dividend Period for which such determination is being made based on the Average Prime Rate for the three calendar months ending on the last day of the calendar month prior to the calendar month during which the Dividend Payment Date for which the determination is being made falls;

(ii) the Dealer Determined Percentage of the Bankers' Acceptance Rate determined on the first Business Day of the Dividend Period for which such determination is being made; or

(iii) a fixed annual percentage rate;

(e) "**Dealer Offer**" shall mean a written irrevocable and unconditional offer from a Dealer in response to a Notice Requesting Bids to purchase all of the Series N Preferred Shares outstanding on the last day of the Initial Five Year Term or the current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, at a purchase price per Series N Preferred Share equal to $25.00 and containing the information specified in section IV.2(b) hereof;

(f) "**Dealer Response Date**" shall have the meaning ascribed thereto in section IV.2(a) hereof;

(g) "**Notice Requesting Bids**" shall mean a notice from the Corporation to one or more Dealers requesting them to submit Dealer Offers as provided for in section IV.2(a) hereof; and

(h) "**Notification to Holders**" shall mean the notification from the Corporation to holders of Series N Preferred Shares of the acceptance of a Dealer Offer as provided for in section IV.2(d) hereof.

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

2. Bids by Dealers

(a) No earlier than 30 days and no later than 25 days prior to the end of the Initial Five Year Term or the current Corporation Determined Term or Dealer Determined Term or no earlier than 13 days and no later than 10 days prior to the end of the current Auction Dividend Period (and provided such Auction Dividend Period is not the first Auction Dividend Period within an Auction Term), as the case may be, the Corporation may solicit bids from one or more Dealers for the purchase of all of the Series N Preferred Shares. Such solicitation shall be contained in a Notice Requesting Bids to be sent by the Corporation to such Dealers which notice shall:

(i) invite each Dealer to submit to the Corporation a Dealer Offer; and

(ii) specify a date, which date shall not be more than 10 days after the giving of such notice except if such notice is given during an Auction Dividend Period in which case the date specified shall not be more than 5 days after the giving of such notice, by which any such offer must be received (the "**Dealer Response Date**") by the Corporation.

(b) Each Dealer receiving a Notice Requesting Bids may submit a Dealer Offer provided such Dealer does so by the Dealer Response Date and provided that such Dealer Offer specifies:

(i) for the purpose of determining the Dealer Determined Quarterly Dividend Rate in the event such Dealer's Dealer Offer is accepted under section IV.2(c):

(A) the Dealer Determined Percentage of the Average Prime Rate (to be determined as described in paragraph (i) of the definition herein of "**Dealer Determined Quarterly Dividend Rate**");

(B) the Dealer Determined Percentage of the Bankers' Acceptance Rate (to be determined as described in paragraph (ii) of the definition herein of "**Dealer Determined Quarterly Dividend Rate**"); or

(C) a fixed annual percentage rate;

(ii) a Dealer Determined Term for which the rate referred to in paragraph (i) of this section IV.2(b) shall apply; and

(iii) the amount of any fees to be paid by the Corporation to the Dealer in respect of the Series N Preferred Shares in the event the Dealer's Offer is accepted by the Corporation.

(c) If the Corporation wishes to accept a Dealer Offer, it shall signify such acceptance on or before 15 days prior to the end of the Initial Five Year Period or the current Corporation Determined Term or Dealer Determined Term or on or before 5 days prior to the end of the current Auction Dividend Period, as the case may be, by notice to the Dealer whose Dealer Offer it accepts (an "**Accepted Dealer Offer**"). The Dealer Determined Quarterly Dividend Rate and Dealer Determined Term specified in the Accepted Dealer Offer shall apply for the purposes of determining the dividends to be paid on the Series N Preferred Shares on each Dividend Payment Date in respect of Dividend Periods during such Dealer Determined Term provided the provisions of section IV.2(g) hereof are fully complied with. The Dealer whose Dealer Offer is accepted will be required to purchase all of the Series N Preferred Shares not retained by the existing holders on the last day of the Initial Five Year Term or the current Corporation Determined Term or the Dealer Determined Term or on the Settlement Date immediately following the current Auction Dividend Period, as the case may be, on the terms contained in the Accepted Dealer Offer.

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

(i) specify the Dealer Determined Quarterly Dividend Rate to apply to the Series N Preferred Shares;

(ii) specify the Dealer Determined Term for which the Dealer Determined Quarterly Dividend Rate referred to in paragraph (i) of this section IV.2(d) shall apply;

(iii) notify such holders of the right of each holder either to sell all or some of the Series N Preferred Shares it holds to such Dealer or to continue to hold all or some of the Series N Preferred Shares it holds;

(iv) notify such holders of the date (which shall be not more than ten days and not less than six days prior to the end of the Initial Five Year Term or the current Corporation Determined Term or Dealer Determined Term or not more than three days and not less than two days prior to the end of the current Auction Dividend Period, as the case may be) by which the Corporation must have received written

notice from such holder of its decision to sell all or some of the Series N Preferred Shares it holds as provided for in section IV.2(e) hereof;

(v) notify such holders that any holder of Series N Preferred Shares that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Series N Preferred Shares then held by it subject to the terms and conditions as to the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders; and

(vi) identify the Dealer whose Dealer Offer has been accepted.

(e) Upon receipt of the Notification to Holders, an existing holder of Series N Preferred Shares may elect to sell Series N Preferred Shares in accordance with the terms specified in such Notification to Holders by notifying the Corporation in writing of such decision and of the number of shares to be sold. Each holder of Series N Preferred Shares who elects to sell all or some of its Series N Preferred Shares shall, together with such notice, deposit the certificate or certificates representing the Series N Preferred Shares which such holder desires to sell (with the transfer panel on such certificate duly completed and signed or, in the alternative, with a duly completed stock transfer power of attorney accompanying such certificate or certificates) at the registered office of the Corporation, or at any place where the Series N Preferred Shares may be transferred or any other place or places in Canada specified by the Corporation to holders of Series N Preferred Shares in the Notification to Holders. If a holder of Series N Preferred Shares wishes to sell only some of the Series N Preferred Shares represented by any share certificate or certificates, the holder may deposit the certificate or certificates, as aforementioned, and the Corporation shall issue and deliver to such holder, at the expense of the Corporation, a new share certificate representing the Series N Preferred Shares which are not being delivered for sale. Any holder of Series N Preferred Shares that fails to respond to the Notification to Holders by the date specified for response therein will be deemed to have elected to continue to hold all of the Series N Preferred Shares then held by it subject to the terms and conditions as to the Dealer Determined Quarterly Dividend Rate and the Dealer Determined Term which are set forth in the Notification to Holders. The Corporation shall have all such powers and authority as may be necessary to determine finally the adequacy of all transfer instruments and related matters with respect to the sale of shares by an existing holder to a Dealer hereunder. Any determination by the Corporation to the effect that any instrument of transfer is incomplete or ineffective shall bind the holder intending to sell any of its Series N Preferred Shares pursuant to the provisions of this Part IV and shall also bind the Dealer in question.

(f) At least one Business Day prior to the end of the Initial Five Year Term or the current Corporation Determined Term, Dealer Determined Term or Auction Dividend Period, as the case may be, the Corporation shall notify the Dealer submitting the Accepted Dealer Offer of the number of shares to be purchased by such Dealer in accordance with section IV.2(g) hereof and of the identity of the vendor or vendors thereof.

(g) On the last day of the Initial Five Year Term, or the current Corporation Determined Term, or Dealer Determined Term or on the Settlement Date immediately following the end of the Auction Dividend Period, as the case may be, the Dealer submitting the Accepted Dealer Offer shall purchase the Series N Preferred Shares from the holders specified in section IV.2(f) hereof at the purchase price set out in section IV.1(e) hereof. For the purposes of completing such purchase, the Dealer submitting the Accepted Dealer Offer

shall deposit with the Corporation, at its registered office, on or prior to noon (Toronto time) on such date, a certified cheque payable to the Corporation, as agent for the vendor or vendors referred to in section IV.2(f) hereof, representing the aggregate purchase price for the Series N Preferred Shares to be purchased pursuant to this section IV.2(g) together with a direction as to registration particulars with respect to such Series N Preferred Shares to be purchased. Upon receipt of such certified cheque as aforesaid, the Corporation shall deliver to the vendor or vendors at the registered office of the Corporation cheques payable to the vendor or vendors in payment of the purchase price for such Series N Preferred Shares (less any tax required to be deducted and withheld therefrom) against delivery of the certificates therefor duly completed in accordance with section IV.2(e), and delivery of such cheques by the Corporation shall be deemed to be payment and shall satisfy and discharge all liability for such purchase price to the extent of the amount represented by such cheques (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheques are not paid on due presentation.

3. Termination of Application

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

4. Miscellaneous

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

PART V
AUCTION PROCEDURES

1. Definitions

For the purposes of this Part V, the following expressions have the following meanings:

(a) "**Auction Manager**" shall mean the trust corporation (which may be an affiliate of the Corporation) duly appointed or to be appointed from time to time by the Corporation as Auction Manager in respect of the Series N Preferred Shares pursuant to the Auction Manager Agreement;

(b) "**Auction Manager Agreement**" shall mean an agreement made between the Auction Manager and the Corporation which provides, among other things, that the Auction Manager will follow the procedures set forth in this Part V for the purposes of determining the Current Dividend Rate for the Series N Preferred Shares;

(c) "**Available Shares**" shall have the meaning specified in paragraph (i) of section V.4(a) hereof;

(d) "**Bankers' Acceptance Rate**", for any day, shall mean the average bid rate for one-month Canadian dollar bankers' acceptances which appears on the Reuters Screen as of 10:00 a.m., Toronto time, on that day. If such rate does not appear on the Reuters Screen, the rate on that day shall be determined on the basis of the average quoted bid rates of the Banks for one-month Canadian dollar bankers' acceptances for settlement on that day accepted by the Banks as of 10:00 a.m., Toronto time, on that day;

(e) "**Bid**" and "**Bids**" shall have the respective meanings specified in section V.2(a) hereof;

(f) "**Bidder**" and "**Bidders**" shall have the respective meanings specified in section V.2(a) hereof;

(g) "**Dealer**" shall mean any registered investment dealer or other entity permitted by law to perform the functions required of a Dealer in this Part V that has entered into a Dealer Agreement with the Auction Manager that remains effective;

(h) "**Dealer Agreement**" shall mean an agreement between the Auction Manager and a Dealer pursuant to which the Dealer agrees to participate in Auctions in compliance with the procedures set forth in this Part V;

(i) "**Existing Holder**" shall mean a holder of Series N Preferred Shares (i) who has signed a Purchaser's Letter, (ii) who has delivered or caused to be delivered such Purchaser's Letter to the Auction Manager and to any Dealer to which such Existing Holder submits information pursuant to section V.2(a) hereof, and (iii) who is registered in the ledger maintained by the Auction Manager in respect of holders of Series N Preferred Shares;

(j) "**held by**" with respect to any Series N Preferred Shares registered in the name of the Auction Manager shall include such shares beneficially owned by an Existing Holder but does not include, with respect to such shares, the Auction Manager;

(k) "**Hold Order**" and "**Hold Orders**" shall have the respective meanings specified in section V.2(a) hereof;

(l) "**Maximum Rate**" with respect to any Auction Dividend Period shall mean the Bankers' Acceptance Rate determined on the Auction Date immediately preceding the beginning of such Auction Dividend Period plus 0.40%;

(m) "**Order**" and "**Orders**" shall have the respective meanings specified in section V.2(a) hereof;

(n) "**Potential Holder**" shall mean any person, including any Existing Holder, (i) who has executed a Purchaser's Letter, (ii) who has delivered or caused to be delivered such

Purchaser's Letter to the Auction Manager and to any Dealer to which such Potential Holder submits information pursuant to section V.2(a) hereof and (iii) who may be interested in acquiring Series N Preferred Shares (or, in the case of an Existing Holder, additional Series N Preferred Shares);

(o) "**Purchaser's Letter**" shall mean a letter addressed to the Auction Manager and a Dealer in which a person agrees, among other things, to be bound by the Auction Procedures in the event such person participates in an Auction;

(p) "**Remaining Shares**" shall have the meaning specified in paragraph (iv) of section V.5(a) hereof;

(q) "**Sell Order**" and "**Sell Orders**" shall have the respective meanings specified in section V.2(a) hereof;

(r) "**Submission Deadline**" shall mean 11:00 a.m., Toronto time, on any Auction Date or such later time on any Auction Date, as specified by the Auction Manager from time to time, by which Dealers are required to submit Orders to the Auction Manager;

(s) "**Submitted Bid**" and "**Submitted Bids**" shall have the respective meanings specified in section V.4(a) hereof;

(t) "**Submitted Hold Order**" and "**Submitted Hold Orders**" shall have the respective meanings specified in section V.4(a) hereof;

(u) "**Submitted Order**" and "**Submitted Orders**" shall have the respective meanings specified in section V.4(a) hereof;

(v) "**Submitted Sell Order**" and "**Submitted Sell Orders**" shall have the respective meanings specified in section V.4(a) hereof;

(w) "**Sufficient Clearing Bids**" shall have the meaning specified in section V.4(a) hereof; and

(x) "**Winning Bid Rate**" shall mean the dividend rate per annum determined in accordance with section V.4(a) hereof.

2. Orders by Existing Holders and Potential Holders

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

(i) each Existing Holder may submit to a Dealer information as to the number of Series N Preferred Shares, if any, held by such Existing Holder which such Existing Holder:

(A) desires to continue to hold without regard to the Current Dividend Rate; and/or

(B) desires to continue to hold, provided that the Current Dividend Rate shall not be less than the dividend rate per annum specified by such Existing Holder; and/or

(C) offers to sell without regard to the Current Dividend Rate; and

(ii) Potential Holders may submit to a Dealer offers to purchase Series N Preferred Shares, provided that any such offer shall be effective only if the Current Dividend Rate shall not be less than the dividend rate per annum specified by such Potential Holder.

The communication to a Dealer of the information referred to in this section V.2(a) is an "**Order**" and, collectively, are "**Orders**", and each Existing Holder and each Potential Holder placing an Order is a "**Bidder**" and, collectively, are "**Bidders**"; an Order containing the information referred to in subparagraph (i)(A) of this section V.2(a) is a "**Hold Order**" and, collectively, are "**Hold Orders**"; an Order containing the information referred to in subparagraph (i)(B) or paragraph (ii) of this section V.2(a) is a "**Bid**" and, collectively, are "**Bids**"; and an Order containing the information referred to in subparagraph (i)(C) of this section V.2(a) is a "**Sell Order**" and, collectively, are "**Sell Orders**".

(b) (i) A Bid by an Existing Holder shall constitute an irrevocable offer to sell at a price per Series N Preferred Share equal to $25.00;

(A) the number of Series N Preferred Shares specified in such Bid if the winning Bid Rate determined on the applicable Auction Date is less than the rate specified in such Bid: or

(B) the number of Series N Preferred Shares specified in such Bid or a lesser number to be determined as set forth in paragraph (iv) of section V.5(a) hereof if the Winning Bid Rate determined on such Auction Date is equal to the rate specified in such Bid;

(C) the number of Series N Preferred Shares specified in such Bid if the rate specified in such Bid is higher than the Maximum Rate and Sufficient Clearing Bids do exist; or

(D) a lesser number of Series N Preferred Shares to be determined as set forth in paragraph (iii) of section V.5(b) hereof if the rate specified in such Bid is higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell at a price per Series N Preferred Share equal to $25.00;

(A) the number of Series N Preferred Shares specified in such Sell Order if Sufficient Clearing Bids do exist; or

(B) a lesser number of Series N Preferred Shares to be determined as set forth in paragraph (iii) of section V.5(b) hereof if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase at a price per Series N Preferred Share equal to $25.00:

(A) the number of Series N Preferred Shares specified in such Bid if the Winning Bid Rate determined on the applicable Auction Date is higher than the rate specified in such Bid;

(B) the specified number or a lesser number of Series N Preferred Shares to be determined as set forth in paragraph (v) of section V.5(a) hereof if the Winning Bid Rate determined on such Auction Date is equal to the rate specified in such Bid; or

(C) the specified number of Series N Preferred Shares if the rate specified in such Bid is equal to or lower than the Maximum Rate and Sufficient Clearing Bids do not exist.

(c) A rate specified by an Existing Holder or Potential Holder in any Bid shall be a fixed annual percentage rate or a specified percentage of the Bankers' Acceptance Rate determined on the relevant Auction Date.

(d) If none of the holders of Series N Preferred Shares is an Existing Holder for the purposes of this Part V on any date which would be an Auction Date hereunder, the Current Dividend Date for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

3. Submission of Orders by Dealers to the Auction Manager

(a) Each Dealer shall submit to the Auction Manager in writing in accordance with its Dealer Agreement prior to the Submission Deadline on each Auction Date all Orders obtained by such Dealer and specifying with respect to each Order:

(i) the name of the Bidder placing such Order;

(ii) the aggregate number of Series N Preferred Shares that are the subject of the Order;

(iii) to the extent that the Bidder is an Existing Holder, the number of Series N Preferred Shares, if any, subject to any:

(A) Hold Order placed by such Existing Holder;

(B) Bid placed by such Existing Holder and the rate specified in such Bid; and/or

(C) Sell Order placed by such Existing Holder; and

(iv) to the extent that the Bidder is a Potential Holder, the rate specified in the Bid of such Potential Holder.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Manager shall round such rate up to the next highest one-thousandth of one percent (0.001%).

(c) If for any reason an Order or Orders covering in the aggregate all the Series N Preferred Shares held by an Existing Holder is not submitted to the Auction Manager prior to the Submission Deadline, the Auction Manager shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the number of Series N Preferred Shares held by such Existing Holder and not subject to Orders submitted to the Auction Manager.

(d) If one or more Orders covering in the aggregate more than the number of Series N Preferred Shares held by any Existing Holder are submitted to the Auction Manager, such orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid, but only up to and including, in the aggregate, the number of Series N Preferred Shares held by such Existing Holder, and, solely for purposes of allocating compensation among the Dealers submitting Hold Orders, if the number of Series N Preferred Shares subject to such Hold Orders exceeds the number of Series N Preferred Shares held by such Existing Holder, the number of Series N Preferred Shares subject to each such Hold Order shall be reduced pro rata to cover the number of Series N Preferred Shares held by such Existing Holder;

(ii) (A) any Bid shall be considered valid up to and including the excess of the number of Series N Preferred Shares held by such Existing Holder over the number of Series N Preferred Shares subject to any Hold Order referred to in paragraph (i) of this section V.3(d);

(B) subject to subparagraph (ii)(A) of this section V.3(d), if more than one Bid with the same rate is submitted an behalf of such Existing Holder and the number of Series N Preferred Shares subject to such Bids is greater than such excess, such Bids shall be considered valid up to the amount of such excess, and, solely for purposes of allocating compensation among the Dealers submitting Bids with the same rate, the number of Series N Preferred Shares subject to each Bid with the same rate shall be reduced pro rata to cover the number of Series N Preferred Shares equal to such excess;

(C) subject to subparagraph (ii)(A) of this section V.3(d), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid in the ascending order of their respective rates up to the amount of such excess; and

(D) in any event, the number, if any, of such Series N Preferred Shares subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder; and

(iii) all Sell Orders shall be considered valid but only up to and including in the aggregate the excess of the number of Series N Preferred Shares held by such Existing Holder over the sum of the Series N Preferred Shares subject to Hold Orders referred to in paragraph (i) of this section V.3(d) and valid bids by Existing Holders referred to in paragraph (ii) of this section V.3(d).

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

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

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

(i) the excess of (a) the total number of Series N Preferred Shares held by Existing Holders issued and outstanding over (b) number of Series N Preferred Shares that are the subject of Submitted Hold Orders (such excess being the "**Available Shares**");

(ii) from the Submitted Orders, whether:

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

exceeds or is equal to the sum of:

(B)
- the number of Series N Preferred Shares that are the subject of Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate; and
- the number of Series N Preferred Shares that are the subject of Submitted Sell Orders;

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

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

(A)
- each Submitted Bid from Existing Holders specifying that lowest rate, and
- all other Submitted Bids from Existing Holders specifying lower rates,

thus entitling those Existing Holders to continue to hold the aggregate number of Series N Preferred Shares that are specified in those Submitted Bids; and

(B)
- each Submitted Bid from Potential Holders specifying that lowest rate, and

- all other Submitted Bids from Potential Holders specifying lower rates,

thus entitling those Potential Holders to purchase the aggregate number of Series N Preferred Shares that are specified in those Submitted Bids;

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

(b) Promptly after the Auction Manager has made the determinations pursuant to section V.4(a) hereof, the Auction Manager shall advise the Corporation of the Bankers' Acceptance Rate and, based on such determinations, of the dividend rate applicable to the Series N Preferred Shares for the next succeeding Auction Dividend Period (the "**Current Dividend Rate**") as follows:

(i) if Sufficient Clearing Bids exist, that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Winning Bid Rate so determined;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Series N Preferred Shares are the subject of Submitted Hold Orders), that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to the Maximum Rate; or

(iii) if all of the Series N Preferred Shares are the subject of Submitted Hold Orders, that the Current Dividend Rate for the next succeeding Auction Dividend Period shall be equal to 50% of the Bankers' Acceptance Rate determined on the Auction Date.

5. Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Shares

Based on the determinations made pursuant to section V.4(a) hereof, the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Manager shall take such other action as set forth below:

(a) If Sufficient Clearing Bids have been made, subject to the provisions at section V.5(c) and V.5(d) hereof, Submitted Bids and Submitted Sell Orders shall be accepted and rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) (A) the Submitted Sell Order of each Existing Holder shall be accepted and (B) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to sell the Series N Preferred Shares that are the subject of such Submitted Sell Order and such Submitted Bid;

(ii) the Submitted Bid of each Existing Holder specifying any rate that is lower than the winning Bid Rate shall be accepted, thus entitling each such Existing Holder

to continue to hold the Series N Preferred Shares that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Holder specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the number of Series N Preferred Shares specified in such Submitted Bid;

(iv) the Submitted Bid for each Existing Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus entitling each such Existing Holder to continue to hold the Series N Preferred Shares that are the subject of such Submitted Bid, unless the number of Series N Preferred Shares subject to all such Submitted Bids is greater than the total number of Available Shares minus the number of Series N Preferred Shares subject to Submitted Bids described in paragraphs (ii) and (iii) of this section V.5(a) (the "**Remaining Shares**"). In this event, the Submitted Bids of each such Existing Holder described in this paragraph (iv) shall be rejected, and each such Existing Holder shall be required to sell Series N Preferred Shares, but only in an amount equal to the difference between (A) the number of Series N Preferred Shares then held by such Existing Holder subject to such Submitted Bid, and (B) the number of Series N Preferred Shares obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, the numerator of which shall be the number of Series N Preferred Shares held by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the number of Series N Preferred Shares subject to such Submitted Bids made by all such Existing Holders who specified a rate equal to the Winning Bid Rate; and

(v) the Submitted Bid of each Potential Holder specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the number of Series N Preferred Shares obtained by multiplying (A) the excess, if any, of the total number of Available Shares over the number of Series N Preferred Shares subject to accepted Submitted Bids described in clauses (ii), (iii) and (iv) of this subsection V.5(a) by (B) a fraction, the numerator of which shall be the number of Series N Preferred Shares specified in such Submitted Bid and the denominator of which shall be the sum of the number of Series N Preferred Shares subject to Submitted Bids made by all Potential Holders who specified a rate equal to the Winning Bid Rate.

(b) If Sufficient Clearing Bids have not been made (other than because all of the Series N Preferred Shares are subject to Submitted Hold Orders), subject to the provisions of sections V.5(c) and V.5(d) of this Part V, Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(i) the Submitted Bid of each Existing Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus entitling that Existing Holder to continue to hold the Series N Preferred Shares that are the subject of such Submitted Bid;

(ii) the Submitted Bid of each Potential Holder specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring such Potential

Holder to purchase the number of Series N Preferred Shares specified in such Submitted Bid; and

(iii) the Submitted Bid of each Existing Holder specifying any rate that is higher than the Maximum Rate shall be rejected and the Submitted Sell Order of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (A) the number of Series N Preferred Shares then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (B) the number of Series N Preferred Shares obtained by multiplying (x) the difference between the total number of Available Shares and the aggregate number of Series N Preferred Shares subject to Submitted Bids described in paragraphs (i) and (ii) of this section V.5(b) by (y) a fraction, the numerator of which shall be the number of Series N Preferred Shares held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the number of Series N Preferred Shares subject to all such Submitted Bids and Submitted Sell Orders.

(c) If, as a result of the procedures described in sections V.5(a) or V.5(b) hereof, any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Series N Preferred Share on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, round up or down the number of Series N Preferred Shares to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that the number of shares purchased or sold by each Existing Holder or Potential Holder shall be whole Series N Preferred Shares.

(d) If, as a result of the procedures described in section V.5(a) hereof, any Potential Holder would be entitled or required to purchase a fraction of a Series N Preferred Share on any Auction Date, the Auction Manager shall, in such manner as it shall determine in its sole discretion, allocate shares for purchase among Potential Holders so that only whole Series N Preferred Shares are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing Series N Preferred Shares on such Auction Date.

(e) Based on the results of each Auction, the Auction Manager shall determine to which Potential Holder or Potential Holders purchasing Series N Preferred Shares an Existing Holder or Existing Holders shall sell Series N Preferred Shares being sold by such Existing Holder or Existing Holders. Such purchases and sales of Series N Preferred Shares shall be completed in accordance with the procedures specified in the Purchaser's Letter on the Settlement Date by payment by each Potential Holder purchasing Series N Preferred Shares of the aggregate purchase price of the Series N Preferred Shares to be purchased from a relevant Existing Holder equal to $25.00 per Series N Preferred Share against delivery by such Existing Holder selling Series N Preferred Shares to such Potential Holder of a certificate or certificates representing the number of Series N Preferred Shares being sold, duly endorsed for transfer.

6. Miscellaneous

Notwithstanding the provisions of Part V hereof, the Auction Manager shall not follow the Auction Procedures on the Auction Date immediately preceding: (i) the Redemption Date in the event that written notice of redemption of all the outstanding Series N Preferred Shares has been given pursuant to the

provisions of section I.5 hereof or (ii) the first day of a Corporation Determined Term or Dealer Determined Term.

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

28. CLASS AAA PREFERENCE SHARES, SERIES AA

The twenty-seventh series of Class AAA Preference Shares of the Corporation shall consist of 12,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series AA (hereinafter referred to as the "**Series AA Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series AA Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series AA Dividends payable on the Series AA Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series AA Dividend will be payable December 31, 2014 and will be an amount in cash equal to $0.2245 per Series AA Share. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than December 31, 2014) the Series AA Dividend will be equal to $0.29688 per share.

(b) During each Subsequent Fixed Rate Period, Series AA Dividends payable on the Series AA Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

(c) The Corporation will calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by

the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

2.2 *Method of Payment*

Series AA Dividends shall (except in case of redemption or conversion in which case payment of Series AA Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate representing the Series AA Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series AA Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series AA Shares up to and including December 31, 2014 (the "**Initial Dividend Period**"), a dividend in an amount per Series AA Share equal to the amount obtained (rounded to four decimal places) where $1.1875 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series AA Shares up to and including December 31, 2014 and the denominator of which is 365. The Series AA Dividend payable for the Initial Dividend Period, payable as of December 31, 2014, as calculated by this method shall be $0.2245 per Series AA Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series AA Shares prior to December 31, 2019. On December 31, 2019 and on December 31 every five years thereafter (each, a "**Series AA Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series AA Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series AA Shares by the payment of an amount in cash for each such Series AA Share so redeemed equal to $25.00 per Series AA Share, together with all accrued and unpaid Series AA Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation) .

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series AA Conversion Date of its intention to redeem such Series AA Shares to each person who at the date of giving such notice is the Holder of Series AA Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series AA Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series AA Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series AA Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series AA Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series AA Shares called for redemption shall cease to be entitled to Series AA Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series AA Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the

respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series AA Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series AA Conversion Date, to convert, all, or any part of, the then outstanding Series AA Shares registered in the name of the Holder into Class AAA Preference Shares, Series BB ("**Series BB Shares**") on the basis of one (1) Series BB Share for each Series AA Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series AA Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series AA Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series AA Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series AA Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series BB Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series AA Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series AA Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series BB Shares on a Series AA Conversion Date if the Corporation determines that there would remain outstanding on the Series AA Conversion Date less than 1,000,000 Series BB Shares after taking into account all Series AA Shares tendered for conversion into Series BB Shares and all Series BB Shares tendered for conversion into Series AA Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series AA Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered prior to such Series AA Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series AA Shares, new certificates representing the Series AA Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series AA Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series AA Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series AA Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series AA Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series AA Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series AA Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series AA Shares into Series BB Shares on the applicable Series AA Conversion Date as provided for in Section 4.2, the Series AA Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series AA Conversion Date into Series BB Shares and the Holders thereof shall be deemed to be holders of Series BB Shares at 5:00 p.m. (Toronto time) on the Series AA Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series AA Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series BB Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series AA Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series AA Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-

assessable Series BB Shares and the number of remaining Series AA Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series AA Conversion Date, so that the rights of the Holder of such Series AA Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series BB Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series BB Shares at such time.

(e) The Holder of any Series AA Share on the record date for any Series AA Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series BB Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series BB Shares upon the conversion of Series AA Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series BB Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series BB Shares are issued in respect of the issuance of such Series BB Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series AA Shares*

All Series AA Shares converted into Series BB Shares on a Series AA Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series AA Conversion Date and available for issuance on the conversion of the Series BB Shares.

4.5 *Right Not to Deliver Series BB Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series BB Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series AA Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series AA Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series AA Shares have the same terms as the Series AA Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series AA Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series AA Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series AA Shares; and

(e) the tax considerations generally applicable to a holder of the New Series AA Shares are the same as for the Series AA Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series AA Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series AA Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series AA Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series AA Shares will cease at such time and the person or persons entitled to receive New Series AA Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series AA Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series AA shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series AA Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series AA Shares will not at the time of issuance be listed on the stock exchange on which the Series AA Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series AA shares pursuant to the exercise of the Exchange Right, the share certificates for New Series AA Shares resulting therefrom will be delivered in the name of the holder of the Series AA Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series AA share provisions, upon the exercise of the Exchange Right, any holder of Series AA Shares to be exchanged for will be deemed to have become a holder of New Series AA Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series AA Shares for which such Series AA Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series AA Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series AA Shares would then be convertible into preference shares (the "**New Series BB Shares**") of the Successor with the same terms as the Series BB Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series AA Shares) on any shares of the Corporation ranking as to dividends junior to the Series AA Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series AA Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series AA Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series AA Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series AA Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to $25.00 per Series AA Share, plus an amount equal to all accrued and unpaid Series AA Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation),

before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series AA Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series AA Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series AA Share held. No other voting rights shall attach to the Series AA Shares in any circumstances. Upon payment of the entire amount of all Series AA Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

These Series AA share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series AA Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series AA Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series AA Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series AA Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

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

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.15%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series AA Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including December 31, 2012 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.15% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series AA Shares or Series BB Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 4.75% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including December 31, 2019.

"**Issue Date**" means the date on which Series AA Shares are first issued.

"**New Series AA Shares**" has the meaning attributed to it in Section 5.1.

"**New Series BB Shares**" has the meaning attributed to it in Section 5.5.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2020 and ending on and including March 31, 2020, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series AA Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series AA Dividends**" has the meaning attributed to it in Section 2.1.

"**Series AA Shares**" has the meaning attributed to it in the introductory paragraph to these Series AA share provisions.

"**Series BB Shares**" means the Class AAA Preference Shares, Series BB.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2020 and ending on and including December 31, 2024 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series AA Shares.

14.2 *Interpretation of Terms*

In these Series AA share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series AA Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series AA Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series AA Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series AA share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 Transfers etc. Through Participants

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

15.2 Depository is Registered Holder

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

29. CLASS AAA PREFERENCE SHARES, SERIES BB

The twenty-eighth series of Class AAA Preference Shares of the Corporation shall consist of 12,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series BB (hereinafter referred to as the "**Series BB Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series BB Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series BB Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series BB Dividends shall (except in case of redemption or conversion in which case payment of Series BB Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate representing the Series BB Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series BB Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

If on any Dividend Payment Date, the Series BB Dividends accrued to such date are not paid in full on all of the Series BB Shares then outstanding, such Series BB Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have

sufficient monies properly applicable to the payment of such Series BB Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series BB Dividends.

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series BB Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series BB Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series BB Shares prior to December 31, 2019. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series BB Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series BB Shares by the payment of an amount in cash for each Series BB Share so redeemed equal to (i) $25.00 in the case of redemptions on December 31, 2024 and on December 31 every five years thereafter (each a "**Series BB Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series BB Conversion Date on or after December 31, 2019 in each case including all accrued and unpaid Series BB Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series BB Conversion Date of its intention to redeem such Series BB Shares to each person who at the date of giving such notice is the Holder of Series BB Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series BB Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series BB Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series BB Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of

the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series BB Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series BB Shares called for redemption shall cease to be entitled to Series BB Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series BB Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series BB Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series BB Conversion Date, to convert all, or any part of, the then outstanding Series BB Shares registered in the name of the Holder into Class AAA Preference Shares, Series AA ("**Series AA Shares**") on the basis of one (1) Series AA Share for each Series BB Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series BB Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series BB Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series BB Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series BB Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series AA Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series BB Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series BB Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series AA Shares on a Series BB Conversion Date if the Corporation determines that there would remain outstanding on the Series BB Conversion Date less than 1,000,000 Series AA Shares after taking into account all Series BB Shares tendered for conversion into Series AA Shares and all Series AA Shares tendered for conversion into Series BB Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series BB Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered, prior to such Series BB Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series BB Shares new certificates representing the Series BB Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series BB Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series BB Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series BB Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series BB Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series BB Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series BB Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series BB Shares into Series AA Shares on the applicable Series BB Conversion Date as provided for in Section 4.2, the Series BB Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series BB Conversion Date into Series AA Shares and the Holders thereof shall be deemed to be holders of Series AA Shares at 5:00 p.m. (Toronto time) on the Series BB Conversion Date and shall be entitled, upon

surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series BB Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series AA Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series BB Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series BB Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series AA Shares and the number of remaining Series BB Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series BB Conversion Date, so that the rights of the Holder of such Series BB Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series AA Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series AA Shares at such time.

(e) The Holder of any Series BB Share on the record date for any Series BB Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series AA Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series AA Shares upon the conversion of Series BB Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series AA Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series AA Shares are issued in respect of the issuance of such Series AA Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series BB Shares*

All Series BB Shares converted into Series AA Shares on a Series BB Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series BB Conversion Date and available for issuance on the conversion of the Series AA Shares.

4.5 *Right Not to Deliver Series AA Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series AA Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series BB Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series BB Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series BB Shares have the same terms as the Series BB Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series BB Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series BB Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series BB Shares; and

(e) the tax considerations generally applicable to a holder of the New Series BB Shares are the same as for the Series BB Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series BB Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series BB Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series BB Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series BB Shares will cease at such time and the person or persons entitled to receive New Series BB Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series BB Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series BB shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series BB Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series BB Shares will not at the time of issuance be listed on the stock exchange on which the Series BB Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series BB shares pursuant to the exercise of the Exchange Right, the share certificates for New Series BB Shares resulting therefrom will be delivered in the name of the holder of the Series BB Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series BB share provisions, upon the exercise of the Exchange Right, any holder of Series BB Shares to be exchanged for will be deemed to have become a holder of New Series BB Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series BB Shares for which such Series BB Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series BB Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series BB Shares would then be convertible into preference shares (the "**New Series AA Shares**") of the Successor with the same terms as the Series AA Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series BB Shares) on any shares of the Corporation ranking as to dividends junior to the Series BB Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series BB Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series BB Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series BB Shares then outstanding; or

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

unless, in each such case, all accrued and unpaid dividends up to and including the Series BB Dividend payable for the last completed Quarterly Floating Rate Period and on all other shares of the Corporation

ranking prior to or on a parity with the Series BB Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series BB Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series BB Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series BB Share held. No other voting rights shall attach to the Series BB Shares in any circumstances. Upon payment of the entire amount of all Series BB Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

The Series BB share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25%

of the outstanding Series BB Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series BB Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series BB Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series BB Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

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

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

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or

any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.15%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series BB Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.15% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series BB Shares or Series AA Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**New Series AA Shares**" has the meaning attributed to it in Section 5.5.

"**New Series BB Shares**" has the meaning attributed to it in Section 5.1.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2020 and ending on and including March 31, 2020, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series AA Shares**" means the Class AAA Preference Shares, Series AA.

"**Series BB Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series BB Dividends**" has the meaning attributed to it in Section 2.1.

"**Series BB Shares**" has the meaning attributed to it in the introductory paragraph to the Series BB share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2020 and ending on and including December 31, 2024 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series BB Shares.

14.2 *Interpretation of Terms*

In these Series BB share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series BB Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series BB Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series BB Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence

of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series BB share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 *Transfers etc. Through Participants*

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

15.2 *Depository is Registered Holder*

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

30. CLASS AAA PREFERENCE SHARES, SERIES CC

The twenty-ninth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series CC (hereinafter referred to as the "**Series CC Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series CC Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series CC Dividends payable on the Series CC Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series CC Dividend will be payable on June 30, 2016 and will be an amount in cash equal to $0.2623 per Series CC Share. On each Dividend Payment Date during the Initial Fixed Rate Period (other than June 30, 2016), the Series CC Dividend will be equal to $0.375 per share.

(b) During each Subsequent Fixed Rate Period, Series CC Dividends payable on the Series CC Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series CC Dividends shall (except in case of redemption or conversion in which case payment of Series CC Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series CC Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series CC Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the

Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series CC Shares up to and including June 30, 2016 (the "**Initial Dividend Period**"), a dividend in an amount per Series CC Share equal to the amount obtained (rounded to four decimal places) where $1.50 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series CC Shares up to and including June 30, 2016 and the denominator of which is 366. The Series CC Dividend payable for the Initial Dividend Period, payable as of June 30, 2016, as calculated by this method shall be $0.2623 per Series CC Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series CC Shares prior to June 30, 2021. On June 30, 2021 and on June 30 every five years thereafter (each, a "**Series CC Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series CC Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series CC Shares by the payment of an amount in cash for each such Series CC Share so redeemed equal to $25.00 per Series CC Share, together with all accrued and unpaid Series CC Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation) .

3.2 *Partial Redemption*

If less than all of the then outstanding Series CC Shares are at any time to be redeemed, then the particular Series CC Shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or,

with the consent of the Toronto Stock Exchange, if the Series CC Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series CC Conversion Date of its intention to redeem such Series CC Shares to each person who at the date of giving such notice is the Holder of Series CC Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series CC Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series CC Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series CC Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series CC Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series CC Shares called for redemption shall cease to be entitled to Series CC Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series CC Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series CC Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series CC Conversion Date, to convert, all, or any part of, the then

outstanding Series CC Shares registered in the name of the Holder into Class AAA Preference Shares, Series DD ("**Series DD Shares**") on the basis of one (1) Series DD Share for each Series CC Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series CC Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series CC Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series CC Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series CC Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series DD Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series CC Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series CC Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series DD Shares on a Series CC Conversion Date if the Corporation determines that there would remain outstanding on the Series CC Conversion Date less than 1,000,000 Series DD Shares after taking into account all Series CC Shares tendered for conversion into Series DD Shares and all Series DD Shares tendered for conversion into Series CC Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series CC Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered prior to such Series CC Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series CC Shares, new certificates representing the Series CC Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series CC Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series CC Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series CC Shares in respect of which the Holder thereof desires to exercise

the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series CC Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series CC Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series CC Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series CC Shares into Series DD Shares on the applicable Series CC Conversion Date as provided for in Section 4.2, the Series CC Shares which the Holders have not previously elected to convert shall be converted on the Series CC Conversion Date into Series DD Shares and the Holders thereof shall be deemed to be holders of Series DD Shares at 5:00 p.m. (Toronto time) on the Series CC Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series CC Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series DD Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series CC Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series CC Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series DD Shares and the number of remaining Series CC Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series CC Conversion Date, so that the rights of the Holder of such Series CC Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series DD Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series DD Shares at such time.

(e) The Holder of any Series CC Share on the record date for any Series CC Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series DD Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series DD Shares upon the conversion of Series CC Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series DD Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series DD Shares are issued in respect of the issuance of such Series DD Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and

delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series CC Shares*

All Series CC Shares converted into Series DD Shares on a Series CC Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series CC Conversion Date and available for issuance on the conversion of the Series DD Shares.

4.5 *Right Not to Deliver Series DD Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series DD Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series CC Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series CC Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series CC Shares have the same terms as the Series CC Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series CC Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series CC Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series CC Shares; and

(e) the tax considerations generally applicable to a holder of the New Series CC Shares are the same as for the Series CC Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series CC Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series CC Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series CC Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series CC Shares will cease at such time and the person or persons entitled to receive New Series CC Shares upon such exchange will be treated for all purposes as having become the holder or

holders of record of such New Series CC Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series CC shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series CC Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series CC Shares will not at the time of issuance be listed on the stock exchange on which the Series CC Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series CC shares pursuant to the exercise of the Exchange Right, the share certificates for New Series CC Shares resulting therefrom will be delivered in the name of the holder of the Series CC Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series CC share provisions, upon the exercise of the Exchange Right, any holder of Series CC Shares to be exchanged for will be deemed to have become a holder of New Series CC Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series CC Shares for which such Series CC Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series CC Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series CC Shares would then be convertible into preference shares (the "**New Series DD Shares**") of the Successor with the same terms as the Series DD Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series CC Shares) on any shares of the Corporation ranking as to dividends junior to the Series CC Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series CC Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of

capital in respect of any shares of the Corporation ranking as to capital junior to the Series CC Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series CC Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series CC Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series CC Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series CC Share held. No other voting rights shall attach to the Series CC Shares in any circumstances. Upon payment of the entire amount of all Series CC Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

These Series CC share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series CC Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series CC Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series CC Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series CC Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice,

invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 5.18%, and (ii) 6.00%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series CC Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including June 30, 2016 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 5.18% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series CC Shares or Series DD Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 6.00% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including June 30, 2021.

"**Issue Date**" means the date on which Series CC Shares are first issued.

"**New Series CC Shares**" has the meaning attributed to it in Section 5.1.

"**New Series DD Shares**" has the meaning attributed to it in Section 5.5.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2021 and ending on and including September 30, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series CC Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series CC Dividends**" has the meaning attributed to it in Section 2.1.

"**Series CC Shares**" has the meaning attributed to it in the introductory paragraph to these Series CC share provisions.

"**Series DD Shares**" means the Class AAA Preference Shares, Series DD.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2021 and ending on and including June 30, 2026 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series CC Shares.

14.2 Interpretation of Terms

In these Series CC share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series CC Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series CC Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series CC Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series CC share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 Transfers etc. Through Participants

If the Series CC Shares are held through the Book-Entry Only System, then the beneficial owner thereof shall provide instructions with respect to Series CC Shares only to the Depository participant through whom such beneficial owner holds such Series CC Shares and registrations of ownership, transfers, purchases, surrenders and exchanges of Series CC Shares will be made only through the Book-Entry Only

System. Beneficial owners of Series CC Shares will not have the right to receive share certificates representing their ownership of the Series CC Shares.

15.2 Depository is Registered Holder

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

31. CLASS AAA PREFERENCE SHARES, SERIES DD

The thirtieth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series DD (hereinafter referred to as the "**Series DD Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series DD Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series DD Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series DD Dividends shall (except in case of redemption or conversion in which case payment of Series DD Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate

or certificates representing the Series DD Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series DD Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series DD Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series DD Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series DD Shares prior to June 30, 2021. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series DD Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series DD Shares by the payment of an amount in cash for each Series DD Share so redeemed equal to (i) $25.00 in the case of redemptions on June 30, 2026 and on June 30 every five years thereafter (each a "**Series DD Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series DD Conversion Date on or after June 30, 2021 in each case including all accrued and unpaid Series DD Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series DD Shares are at any time to be redeemed, then the particular Series DD Shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or,

with the consent of the Toronto Stock Exchange, if the Series DD Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series DD Conversion Date of its intention to redeem such Series DD Shares to each person who at the date of giving such notice is the Holder of Series DD Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series DD Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series DD Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series DD Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series DD Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series DD Shares called for redemption shall cease to be entitled to Series DD Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series DD Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series DD Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series DD Conversion Date, to convert all, or any part of, the then

outstanding Series DD Shares registered in the name of the Holder into Class AAA Preference Shares, Series CC ("**Series CC Shares**") on the basis of one (1) Series CC Share for each Series DD Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series DD Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series DD Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series DD Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series DD Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series CC Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series DD Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series DD Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series CC Shares on a Series DD Conversion Date if the Corporation determines that there would remain outstanding on the Series DD Conversion Date less than 1,000,000 Series CC Shares after taking into account all Series DD Shares tendered for conversion into Series CC Shares and all Series CC Shares tendered for conversion into Series DD Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series DD Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered, prior to such Series DD Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series DD Shares new certificates representing the Series DD Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series DD Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series DD Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series DD Shares in respect of which the Holder thereof desires to exercise

the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series DD Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series DD Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series DD Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series DD Shares into Series CC Shares on the applicable Series DD Conversion Date as provided for in Section 4.2, the Series DD Shares which the Holders have not previously elected to convert shall be converted on the Series DD Conversion Date into Series CC Shares and the Holders thereof shall be deemed to be holders of Series CC Shares at 5:00 p.m. (Toronto time) on the Series DD Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series DD Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series CC Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series DD Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series DD Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series CC Shares and the number of remaining Series DD Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series DD Conversion Date, so that the rights of the Holder of such Series DD Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series CC Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series CC Shares at such time.

(e) The Holder of any Series DD Share on the record date for any Series DD Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series CC Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series CC Shares upon the conversion of Series DD Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series CC Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series CC Shares are issued in respect of the issuance of such Series CC Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver

such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series DD Shares*

All Series DD Shares converted into Series CC Shares on a Series DD Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series DD Conversion Date and available for issuance on the conversion of the Series CC Shares.

4.5 *Right Not to Deliver Series CC Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series CC Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series DD Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series DD Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series DD Shares have the same terms as the Series DD Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series DD Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series DD Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series DD Shares; and

(e) the tax considerations generally applicable to a holder of the New Series DD Shares are the same as for the Series DD Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series DD Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series DD Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series DD Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series DD Shares will cease at such time and the person or persons entitled to receive New Series DD Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series DD Shares at such time. The Exchange Notice may be revoked on at

least five (5) days written notice being given, in which case the Series DD shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series DD Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series DD Shares will not at the time of issuance be listed on the stock exchange on which the Series DD Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series DD shares pursuant to the exercise of the Exchange Right, the share certificates for New Series DD Shares resulting therefrom will be delivered in the name of the holder of the Series DD Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series DD share provisions, upon the exercise of the Exchange Right, any holder of Series DD Shares to be exchanged for will be deemed to have become a holder of New Series DD Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series DD Shares for which such Series DD Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series DD Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series DD Shares would then be convertible into preference shares (the "**New Series CC Shares**") of the Successor with the same terms as the Series CC Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series DD Shares) on any shares of the Corporation ranking as to dividends junior to the Series DD Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series DD Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of

capital in respect of any shares of the Corporation ranking as to capital junior to the Series DD Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series DD Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series DD Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series DD Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series DD Share held. No other voting rights shall attach to the Series DD Shares in any circumstances. Upon payment of the entire amount of all Series DD Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

The Series DD share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series DD Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series DD Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series DD Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series DD Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice,

invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 5.18%, and (ii) 6.00%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series DD Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 5.18% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series DD Shares or Series CC Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**New Series CC Shares**" has the meaning attributed to it in Section 5.5.

"**New Series DD Shares**" has the meaning attributed to it in Section 5.1.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2021 and ending on and including September 30, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series CC Shares**" means the Class AAA Preference Shares, Series CC.

"**Series DD Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series DD Dividends**" has the meaning attributed to it in Section 2.1.

"**Series DD Shares**" has the meaning attributed to it in the introductory paragraph to the Series DD share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2021 and ending on and including June 30, 2026 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series DD Shares.

14.2 *Interpretation of Terms*

In these Series DD share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series DD Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series DD Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) "**in priority to**", "**on a parity with**" and "**junior to**" have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation,

dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

(c) in the event that any date on which any Series DD Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series DD share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 *Transfers etc. Through Participants*

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

15.2 *Depository is Registered Holder*

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

32. CLASS AAA PREFERENCE SHARES, SERIES EE

The thirty-first series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series EE (hereinafter referred to as the "**Series EE Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series EE Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series EE Dividends payable on the Series EE Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series EE Dividend will be payable on March 31, 2017 and will be an amount in cash equal to $0.1467 per Series EE Share. On each Dividend Payment Date during the Initial Fixed Rate Period (other than March 31, 2017), the Series EE Dividend will be equal to $0.31875 per share.

(b) During each Subsequent Fixed Rate Period, Series EE Dividends payable on the Series EE Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series EE Dividends shall (except in case of redemption or conversion in which case payment of Series EE Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series EE Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series EE Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The

posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series EE Shares up to and including March 31, 2017 (the "**Initial Dividend Period**"), a dividend in an amount per Series EE Share equal to the amount obtained (rounded to four decimal places) where $1.275 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series EE Shares up to and including March 31, 2017 and the denominator of which is 365. The Series EE Dividend payable for the Initial Dividend Period, payable as of March 31, 2017, as calculated by this method shall be $0.1467 per Series EE Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series EE Shares prior to March 31, 2022. On March 31, 2022 and on March 31 every five years thereafter (each, a "**Series EE Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series EE Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series EE Shares by the payment of an amount in cash for each such Series EE Share so redeemed equal to $25.00 per Series EE Share, together with all accrued and unpaid Series EE Dividends up to but excluding the date

fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation) .

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series EE Conversion Date of its intention to redeem such Series EE Shares to each person who at the date of giving such notice is the Holder of Series EE Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series EE Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series EE Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series EE Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series EE Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series EE Shares called for redemption shall cease to be entitled to Series EE Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series EE Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series EE Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series EE Conversion Date, to convert, all, or any part of, the then outstanding Series EE Shares registered in the name of the Holder into Class AAA Preference Shares, Series FF ("**Series FF Shares**") on the basis of one (1) Series FF Share for each Series EE Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series EE Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series EE Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series EE Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series EE Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series FF Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series EE Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series EE Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series FF Shares on a Series EE Conversion Date if the Corporation determines that there would remain outstanding on the Series EE Conversion Date less than 1,000,000 Series FF Shares after taking into account all Series EE Shares tendered for conversion into Series FF Shares and all Series FF Shares tendered for conversion into Series EE Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series EE Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered prior to such Series EE Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series EE Shares, new certificates representing the Series EE Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series

EE Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series EE Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series EE Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series EE Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series EE Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series EE Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series EE Shares into Series FF Shares on the applicable Series EE Conversion Date as provided for in Section 4.2, the Series EE Shares which the Holders have not previously elected to convert shall be converted on the Series EE Conversion Date into Series FF Shares and the Holders thereof shall be deemed to be holders of Series FF Shares at 5:00 p.m. (Toronto time) on the Series EE Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series EE Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series FF Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series EE Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series EE Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series FF Shares and the number of remaining Series EE Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series EE Conversion Date, so that the rights of the Holder of such Series EE Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series FF Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series FF Shares at such time.

(e) The Holder of any Series EE Share on the record date for any Series EE Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series FF Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series FF Shares upon the conversion of Series EE Shares shall be made without charge to the converting

Holders for any fee or tax in respect of the issuance of such certificates or the Series FF Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series FF Shares are issued in respect of the issuance of such Series FF Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series EE Shares*

All Series EE Shares converted into Series FF Shares on a Series EE Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series EE Conversion Date and available for issuance on the conversion of the Series FF Shares.

4.5 *Right Not to Deliver Series FF Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series FF Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series EE Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series EE Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series EE Shares have the same terms as the Series EE Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series EE Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series EE Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series EE Shares; and

(e) the tax considerations generally applicable to a holder of the New Series EE Shares are the same as for the Series EE Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series EE Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series EE Shares held by

the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series EE Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series EE Shares will cease at such time and the person or persons entitled to receive New Series EE Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series EE Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series EE shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series EE Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series EE Shares will not at the time of issuance be listed on the stock exchange on which the Series EE Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series EE shares pursuant to the exercise of the Exchange Right, the share certificates for New Series EE Shares resulting therefrom will be delivered in the name of the holder of the Series EE Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series EE share provisions, upon the exercise of the Exchange Right, any holder of Series EE Shares to be exchanged for will be deemed to have become a holder of New Series EE Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series EE Shares for which such Series EE Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series EE Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series EE Shares would then be convertible into preference shares (the "**New Series FF Shares**") of the Successor with the same terms as the Series FF Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series EE Shares) on any shares of the Corporation ranking as to dividends junior to the Series EE Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series EE Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series EE Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series EE Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series EE Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series EE Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series EE Share held. No other voting rights shall attach to the Series EE Shares in any circumstances. Upon payment of the entire amount of all

Series EE Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

These Series EE share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series EE Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series EE Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series EE Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series EE Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint

Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.96%, and (ii) 5.10%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series EE Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including March 31, 2017 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.96% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series EE Shares or Series FF Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 5.10% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including March 31, 2022.

"**Issue Date**" means the date on which Series EE Shares are first issued.

"**New Series EE Shares**" has the meaning attributed to it in Section 5.1.

"**New Series FF Shares**" has the meaning attributed to it in Section 5.5.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2022 and ending on and including June 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series EE Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series EE Dividends**" has the meaning attributed to it in Section 2.1.

"**Series EE Shares**" has the meaning attributed to it in the introductory paragraph to these Series EE share provisions.

"**Series FF Shares**" means the Class AAA Preference Shares, Series FF.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2022 and ending on and including March 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series EE Shares.

14.2 *Interpretation of Terms*

In these Series EE share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series EE Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series EE Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series EE Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series EE share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 Transfers etc. Through Participants

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

15.2 Depository is Registered Holder

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

33. CLASS AAA PREFERENCE SHARES, SERIES FF

The thirty-second series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series FF (hereinafter referred to as the "**Series FF Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series FF Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series FF Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

(b) The Corporation will calculate on each Floating Rate Calculation Date the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period and will, on the Floating

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

2.2 *Method of Payment*

Series FF Dividends shall (except in case of redemption or conversion in which case payment of Series FF Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series FF Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series FF Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series FF Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series FF Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series FF Shares prior to March 31, 2022. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series FF Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series FF Shares by the payment of an amount in cash for each Series FF Share so redeemed equal to (i) $25.00 in the case of redemptions on March 31, 2027 and on March 31 every five years thereafter (each a "**Series FF Conversion Date**"), or (ii) $25.50 in the case of redemptions on any

date which is not a Series FF Conversion Date on or after March 31, 2022 in each case including all accrued and unpaid Series FF Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series FF Conversion Date of its intention to redeem such Series FF Shares to each person who at the date of giving such notice is the Holder of Series FF Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series FF Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series FF Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series FF Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series FF Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series FF Shares called for redemption shall cease to be entitled to Series FF Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series FF Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that

otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series FF Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series FF Conversion Date, to convert all, or any part of, the then outstanding Series FF Shares registered in the name of the Holder into Class AAA Preference Shares, Series EE ("**Series EE Shares**") on the basis of one (1) Series EE Share for each Series FF Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series FF Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series FF Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series FF Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series FF Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series EE Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series FF Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series FF Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series EE Shares on a Series FF Conversion Date if the Corporation determines that there would remain outstanding on the Series FF Conversion Date less than 1,000,000 Series EE Shares after taking into account all Series FF Shares tendered for conversion into Series EE Shares and all Series EE Shares tendered for conversion into Series FF Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series FF Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered, prior to such Series FF Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series FF Shares new certificates representing the Series FF Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series FF Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series FF Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series FF Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series FF Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series FF Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series FF Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series FF Shares into Series EE Shares on the applicable Series FF Conversion Date as provided for in Section 4.2, the Series FF Shares which the Holders have not previously elected to convert shall be converted on the Series FF Conversion Date into Series EE Shares and the Holders thereof shall be deemed to be holders of Series EE Shares at 5:00 p.m. (Toronto time) on the Series FF Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series FF Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series EE Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series FF Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series FF Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series EE Shares and the number of remaining Series FF Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series FF Conversion Date, so that the rights of the Holder of such Series FF Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series EE Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series EE Shares at such time.

(e) The Holder of any Series FF Share on the record date for any Series FF Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is

converted into Series EE Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series EE Shares upon the conversion of Series FF Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series EE Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series EE Shares are issued in respect of the issuance of such Series EE Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series FF Shares*

All Series FF Shares converted into Series EE Shares on a Series FF Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series FF Conversion Date and available for issuance on the conversion of the Series EE Shares.

4.5 *Right Not to Deliver Series EE Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series EE Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series FF Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series FF Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series FF Shares have the same terms as the Series FF Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series FF Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series FF Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series FF Shares; and

(e) the tax considerations generally applicable to a holder of the New Series FF Shares are the same as for the Series FF Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series FF Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series FF Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series FF Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series FF Shares will cease at such time and the person or persons entitled to receive New Series FF Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series FF Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series FF shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series FF Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series FF Shares will not at the time of issuance be listed on the stock exchange on which the Series FF Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series FF shares pursuant to the exercise of the Exchange Right, the share certificates for New Series FF Shares resulting therefrom will be delivered in the name of the holder of the Series FF Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series FF share provisions, upon the exercise of the Exchange Right, any holder of Series FF Shares to be exchanged for will be deemed to have become a holder of New Series FF Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series FF Shares for which such Series FF Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series FF Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series FF Shares would then be convertible into preference shares (the "**New Series EE Shares**") of the Successor with the same terms as the Series EE Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series FF Shares) on any shares of the Corporation ranking as to dividends junior to the Series FF Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series FF Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series FF Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series FF Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series FF Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series FF Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series FF Share held. No other voting rights shall attach to the Series FF Shares in any circumstances. Upon payment of the entire amount of all Series FF Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

The Series FF share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series FF Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series FF Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series FF Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series FF Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Tax Act, under subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect,

and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series FF Shares under section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. Communications with Holders

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

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.96%, and (ii) 5.10%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series FF Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.96% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

(assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series FF Shares or Series EE Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**New Series EE Shares**" has the meaning attributed to it in Section 5.5.

"**New Series FF Shares**" has the meaning attributed to it in Section 5.1.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2022 and ending on and including June 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series EE Shares**" means the Class AAA Preference Shares, Series EE.

"**Series FF Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series FF Dividends**" has the meaning attributed to it in Section 2.1.

"**Series FF Shares**" has the meaning attributed to it in the introductory paragraph to the Series FF share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2022 and ending on and including March 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series FF Shares.

14.2 *Interpretation of Terms*

In these Series FF share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series FF Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series FF Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series FF Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series FF share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 *Transfers etc. Through Participants*

If the Series FF Shares are held through the Book-Entry Only System, then the beneficial owner thereof shall provide instructions with respect to Series FF Shares only to the Depository participant through whom such beneficial owner holds such Series FF Shares and registrations of ownership, transfers, purchases, surrenders and exchanges of Series FF Shares will be made only through the Book-Entry Only

System. Beneficial owners of Series FF Shares will not have the right to receive share certificates representing their ownership of the Series FF Shares.

15.2 *Depository is Registered Holder*

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

34. CLASS AAA PREFERENCE SHARES, SERIES GG

The thirty-third series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series GG (hereinafter referred to as the "**Series GG Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series GG Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series GG Dividends payable on the Series GG Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series GG Dividend will be payable on June 30, 2017 and will be an amount in cash equal to $0.1893 per Series GG Share. On each Dividend Payment Date during the Initial Fixed Rate Period (other than June 30, 2017), the Series GG Dividend will be equal to $0.303125 per share.

(b) During each Subsequent Fixed Rate Period, Series GG Dividends payable on the Series GG Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

(c) The Corporation will calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate

Calculation Date, give written notice thereof to the Holders. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

2.2 *Method of Payment*

Series GG Dividends shall (except in case of redemption or conversion in which case payment of Series GG Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series GG Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series GG Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series GG Shares up to and including June 30, 2017 (the "**Initial Dividend Period**"), a dividend in an amount per Series GG Share equal to the amount obtained (rounded to four decimal places) where $1.2125 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series GG Shares up to and including June 30, 2017 and the denominator of which is 365. The Series GG Dividend payable for the Initial Dividend Period, payable as of June 30, 2017, as calculated by this method shall be $0.1893 per Series GG Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series GG Shares prior to June 30, 2022. On June 30, 2022 and on June 30 every five years thereafter (each, a "**Series GG Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series GG Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series GG Shares by the payment of an amount in cash for each such Series GG Share so redeemed equal to $25.00 per Series GG Share, together with all accrued and unpaid Series GG Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation) .

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series GG Conversion Date of its intention to redeem such Series GG Shares to each person who at the date of giving such notice is the Holder of Series GG Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series GG Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series GG Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series GG Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series GG Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series GG Shares called for redemption shall cease to be entitled to Series GG Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series GG Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the

respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series GG Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series GG Conversion Date, to convert, all, or any part of, the then outstanding Series GG Shares registered in the name of the Holder into Class AAA Preference Shares, Series HH ("**Series HH Shares**") on the basis of one (1) Series HH Share for each Series GG Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series GG Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series GG Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series GG Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series GG Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series HH Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series GG Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series GG Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series HH Shares on a Series GG Conversion Date if the Corporation determines that there would remain outstanding on the Series GG Conversion Date less than 1,000,000 Series HH Shares after taking into account all Series GG Shares tendered for conversion into Series HH Shares and all Series HH Shares tendered for conversion into Series GG Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series GG Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered prior to such Series GG Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series GG Shares, new certificates representing the Series GG Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series GG Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series GG Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series GG Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series GG Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series GG Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series GG Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series GG Shares into Series HH Shares on the applicable Series GG Conversion Date as provided for in Section 4.2, the Series GG Shares which the Holders have not previously elected to convert shall be converted on the Series GG Conversion Date into Series HH Shares and the Holders thereof shall be deemed to be holders of Series HH Shares at 5:00 p.m. (Toronto time) on the Series GG Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series GG Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series HH Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series GG Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series GG Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-

assessable Series HH Shares and the number of remaining Series GG Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series GG Conversion Date, so that the rights of the Holder of such Series GG Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series HH Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series HH Shares at such time.

(e) The Holder of any Series GG Share on the record date for any Series GG Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series HH Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series HH Shares upon the conversion of Series GG Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series HH Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series HH Shares are issued in respect of the issuance of such Series HH Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series GG Shares*

All Series GG Shares converted into Series HH Shares on a Series GG Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series GG Conversion Date and available for issuance on the conversion of the Series HH Shares.

4.5 *Right Not to Deliver Series HH Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series HH Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series GG Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series GG Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series GG Shares have the same terms as the Series GG Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series GG Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series GG Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series GG Shares; and

(e) the tax considerations generally applicable to a holder of the New Series GG Shares are the same as for the Series GG Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series GG Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series GG Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series GG Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series GG Shares will cease at such time and the person or persons entitled to receive New Series GG Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series GG Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series GG shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series GG Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series GG Shares will not at the time of issuance be listed on the stock exchange on which the Series GG Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series GG shares pursuant to the exercise of the Exchange Right, the share certificates for New Series GG Shares resulting therefrom will be delivered in the name of the holder of the Series GG Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series GG share provisions, upon the exercise of the Exchange Right, any holder of Series GG Shares to be exchanged for will be deemed to have become a holder of New Series GG Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series GG Shares for which such Series GG Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series GG Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series GG Shares would then be convertible into preference shares (the "**New Series HH Shares**") of the Successor with the same terms as the Series HH Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series GG Shares) on any shares of the Corporation ranking as to dividends junior to the Series GG Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series GG Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series GG Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series GG Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series GG Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to $25.00 per Series GG Share, plus an amount equal to all accrued and unpaid Series GG Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation),

before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series GG Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series GG Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series GG Share held. No other voting rights shall attach to the Series GG Shares in any circumstances. Upon payment of the entire amount of all Series GG Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

These Series GG share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series GG Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series GG Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series GG Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series GG Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

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

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.74%, and (ii) 4.85%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series GG Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including June 30, 2017 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.74% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series GG Shares or Series HH Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 4.85% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including June 30, 2022.

"**Issue Date**" means the date on which Series GG Shares are first issued.

"**New Series GG Shares**" has the meaning attributed to it in Section 5.1.

"**New Series HH Shares**" has the meaning attributed to it in Section 5.5.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2022 and ending on and including September 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series GG Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series GG Dividends**" has the meaning attributed to it in Section 2.1.

"**Series GG Shares**" has the meaning attributed to it in the introductory paragraph to these Series GG share provisions.

"**Series HH Shares**" means the Class AAA Preference Shares, Series HH.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2022 and ending on and including June 30, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series GG Shares.

14.2 *Interpretation of Terms*

In these Series GG share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series GG Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series GG Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series GG Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series GG share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 Transfers etc. Through Participants

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

15.2 Depository is Registered Holder

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

35. CLASS AAA PREFERENCE SHARES, SERIES HH

The thirty-fourth series of Class AAA Preference Shares of the Corporation shall consist of 11,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series HH (hereinafter referred to as the "Series HH Shares") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series HH Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series HH Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series HH Dividends shall (except in case of redemption or conversion in which case payment of Series HH Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series HH Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series HH Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

If on any Dividend Payment Date, the Series HH Dividends accrued to such date are not paid in full on all of the Series HH Shares then outstanding, such Series HH Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have

sufficient monies properly applicable to the payment of such Series HH Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series HH Dividends.

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series HH Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series HH Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series HH Shares prior to June 30, 2022. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series HH Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series HH Shares by the payment of an amount in cash for each Series HH Share so redeemed equal to (i) $25.00 in the case of redemptions on June 30, 2027 and on June 30 every five years thereafter (each a "**Series HH Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series HH Conversion Date on or after June 30, 2022 in each case including all accrued and unpaid Series HH Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series HH Conversion Date of its intention to redeem such Series HH Shares to each person who at the date of giving such notice is the Holder of Series HH Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series HH Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series HH Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series HH Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of

the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series HH Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series HH Shares called for redemption shall cease to be entitled to Series HH Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series HH Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series HH Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series HH Conversion Date, to convert all, or any part of, the then outstanding Series HH Shares registered in the name of the Holder into Class AAA Preference Shares, Series GG ("**Series GG Shares**") on the basis of one (1) Series GG Share for each Series HH Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series HH Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series HH Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series HH Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series HH Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series GG Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series HH Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series HH Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series GG Shares on a Series HH Conversion Date if the Corporation determines that there would remain outstanding on the Series HH Conversion Date less than 1,000,000 Series GG Shares after taking into account all Series HH Shares tendered for conversion into Series GG Shares and all Series GG Shares tendered for conversion into Series HH Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series HH Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered, prior to such Series HH Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series HH Shares new certificates representing the Series HH Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 ***Automatic Conversion***

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

4.3 ***Manner of Conversion***

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series HH Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series HH Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series HH Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series HH Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series HH Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series HH Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series HH Shares into Series GG Shares on the applicable Series HH Conversion Date as provided for in Section 4.2, the Series HH Shares which the Holders have not previously elected to convert shall be converted on the Series HH Conversion Date into Series GG Shares and the Holders thereof shall be deemed to be holders of Series GG Shares at 5:00 p.m. (Toronto time) on the Series HH Conversion Date and shall be entitled, upon surrender

during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series HH Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series GG Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series HH Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series HH Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series GG Shares and the number of remaining Series HH Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series HH Conversion Date, so that the rights of the Holder of such Series HH Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series GG Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series GG Shares at such time.

(e) The Holder of any Series HH Share on the record date for any Series HH Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series GG Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series GG Shares upon the conversion of Series HH Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series GG Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series GG Shares are issued in respect of the issuance of such Series GG Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series HH Shares*

All Series HH Shares converted into Series GG Shares on a Series HH Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series HH Conversion Date and available for issuance on the conversion of the Series GG Shares.

4.5 *Right Not to Deliver Series GG Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series GG Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series HH Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series HH Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series HH Shares have the same terms as the Series HH Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series HH Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series HH Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series HH Shares; and

(e) the tax considerations generally applicable to a holder of the New Series HH Shares are the same as for the Series HH Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series HH Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series HH Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series HH Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series HH Shares will cease at such time and the person or persons entitled to receive New Series HH Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series HH Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series HH shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series HH Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series HH Shares will not at the time of issuance be listed on the stock exchange on which the Series HH Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series HH shares pursuant to the exercise of the Exchange Right, the share certificates for New Series HH Shares resulting therefrom will be delivered in the name of the holder of the Series HH Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series HH share provisions, upon the exercise of the Exchange Right, any holder of Series HH Shares to be exchanged for will be deemed to have become a holder of New Series HH Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series HH Shares for which such Series HH Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series HH Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series HH Shares would then be convertible into preference shares (the "**New Series GG Shares**") of the Successor with the same terms as the Series GG Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series HH Shares) on any shares of the Corporation ranking as to dividends junior to the Series HH Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series HH Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series HH Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series HH Shares then outstanding; or

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

unless, in each such case, all accrued and unpaid dividends up to and including the Series HH Dividend payable for the last completed Quarterly Floating Rate Period and on all other shares of the Corporation

ranking prior to or on a parity with the Series HH Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series HH Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series HH Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series HH Share held. No other voting rights shall attach to the Series HH Shares in any circumstances. Upon payment of the entire amount of all Series HH Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

The Series HH share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25%

of the outstanding Series HH Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series HH Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series HH Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series HH Share held.

11.2 *Formalities, etc.*

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

12. Tax Election

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

13. Communications with Holders

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

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

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or

any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.74%, and (ii) 4.85%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series HH Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.74% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series HH Shares or Series GG Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**New Series GG Shares**" has the meaning attributed to it in Section 5.5.

"**New Series HH Shares**" has the meaning attributed to it in Section 5.1.

"**Quarterly Commencement Date**" means the 1st day of each of April, July, October and January in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2022 and ending on and including September 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series GG Shares**" means the Class AAA Preference Shares, Series GG.

"**Series HH Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series HH Dividends**" has the meaning attributed to it in Section 2.1.

"**Series HH Shares**" has the meaning attributed to it in the introductory paragraph to the Series HH share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2022 and ending on and including June 30, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means CST Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series HH Shares.

14.2 *Interpretation of Terms*

In these Series HH share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series HH Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series HH Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series HH Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence

of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series HH share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 *Transfers etc. Through Participants*

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

15.2 *Depository is Registered Holder*

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

36. CLASS AAA PREFERENCE SHARES, SERIES II

The thirty-fifth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series II (hereinafter referred to as the "**Series II Shares**") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series II Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During the Initial Fixed Rate Period, the Series II Dividends payable on the Series II Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series II Dividend will be payable on March 31, 2018 and will be an amount in cash equal to $0.3787 per Series II Share. On each Dividend Payment Date during the Initial Fixed Rate Period (other than March 31, 2018), the Series II Dividend will be equal to $0.303125 per share.

(b) During each Subsequent Fixed Rate Period, Series II Dividends payable on the Series II Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

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

2.2 *Method of Payment*

Series II Dividends shall (except in case of redemption or conversion in which case payment of Series II Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or certificates representing the Series II Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series II Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Dividend Period*

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

(a) in respect of the period beginning on and including the date of initial issue of the Series II Shares up to and including March 31, 2018 (the "**Initial Dividend Period**"), a dividend in an amount per Series II Share equal to the amount obtained (rounded to four decimal places) where $1.2125 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series II Shares up to and including March 31, 2018 and the denominator of which is 365. The Series II Dividend payable for the Initial Dividend Period, payable as of March 31, 2018, as calculated by this method shall be $0.3787 per Series II Share;

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

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series II Shares prior to December 31, 2022. On December 31, 2022 and on December 31 every five years thereafter (each, a "**Series II Conversion Date**"), the Corporation may, subject to the terms of any shares ranking prior to the Series II Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series II Shares by the payment of an amount in cash for each such Series II Share so redeemed equal to $25.00 per Series II Share, together with all accrued and unpaid Series II Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

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

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series II Conversion Date of its intention to redeem such Series II Shares to each person who at the date of giving such notice is the Holder of Series II Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series II Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series II Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series II Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series II Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series II Shares called for redemption shall cease to be entitled to Series II Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series II Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series II Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series II Conversion Date, to convert, all, or any part of, the then outstanding Series II Shares registered in the name of the Holder into Class AAA Preference Shares, Series JJ ("**Series JJ Shares**") on the basis of one (1) Series JJ Share for each Series II Share. The Corporation shall provide written notice not less than 30 and

not more than 60 days prior to the applicable Series II Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series II Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series II Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series II Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series JJ Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series II Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series II Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series JJ Shares on a Series II Conversion Date if the Corporation determines that there would remain outstanding on the Series II Conversion Date less than 1,000,000 Series JJ Shares after taking into account all Series II Shares tendered for conversion into Series JJ Shares and all Series JJ Shares tendered for conversion into Series II Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series II Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered prior to such Series II Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series II Shares, new certificates representing the Series II Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series II Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series II Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series II Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only

part of the Series II Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series II Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series II Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series II Shares into Series JJ Shares on the applicable Series II Conversion Date as provided for in Section 4.2, the Series II Shares which the Holders have not previously elected to convert shall be converted on the Series II Conversion Date into Series JJ Shares and the Holders thereof shall be deemed to be holders of Series JJ Shares at 5:00 p.m. (Toronto time) on the Series II Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series II Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series JJ Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series II Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series II Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series JJ Shares and the number of remaining Series II Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series II Conversion Date, so that the rights of the Holder of such Series II Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series JJ Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series JJ Shares at such time.

(e) The Holder of any Series II Share on the record date for any Series II Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series JJ Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series JJ Shares upon the conversion of Series II Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series JJ Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series JJ Shares are issued in respect of the issuance of such Series JJ Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series II Shares*

All Series II Shares converted into Series JJ Shares on a Series II Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series II Conversion Date and available for issuance on the conversion of the Series JJ Shares.

(a) Right Not to Deliver Series JJ Shares

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series JJ Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series II Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series II Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series II Shares have the same terms as the Series II Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series II Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series II Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series II Shares; and

(e) the tax considerations generally applicable to a holder of the New Series II Shares are the same as for the Series II Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series II Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series II Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series II Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series II Shares will cease at such time and the person or persons entitled to receive New Series II Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series II Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series II shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series II Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series II Shares will not at the time of issuance be listed on the stock exchange on which the Series II Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series II shares pursuant to the exercise of the Exchange Right, the share certificates for New Series II Shares resulting therefrom will be delivered in the name of the holder of the Series II Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series II share provisions, upon the exercise of the Exchange Right, any holder of Series II Shares to be exchanged for will be deemed to have become a holder of New Series II Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series II Shares for which such Series II Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series II Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series II Shares would then be convertible into preference shares (the "**New Series JJ Shares**") of the Successor with the same terms as the Series JJ Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series II Shares) on any shares of the Corporation ranking as to dividends junior to the Series II Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series II Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series II Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series II Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series II Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series II Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series II Share held. No other voting rights shall attach to the Series II Shares in any circumstances. Upon payment of the entire amount of all Series II Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

These Series II share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series II Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series II Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series II Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series II Share held.

11.2 ***Formalities, etc.***

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

12. Tax Election

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

13. Communications with Holders

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

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.23%, and (ii) 4.85%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series II Shares means the last day of each of March, June, September, and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to and including March 31, 2018 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.23% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series II Shares or Series JJ Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**Initial Dividend Period**" has the meaning ascribed thereto in Section 2.4.

"**Initial Fixed Dividend Rate**" means 4.85% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on and including December 31, 2022.

"**Issue Date**" means the date on which Series II Shares are first issued.

"**New Series II Shares**" has the meaning attributed to it in Section 5.1.

"**New Series JJ Shares**" has the meaning attributed to it in Section 5.5.

"**Quarterly Commencement Date**" means the 1st day of each of January, April, July, and October in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2023 and ending on and including March 31, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series II Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series II Dividends**" has the meaning attributed to it in Section 2.1.

"**Series II Shares**" has the meaning attributed to it in the introductory paragraph to these Series II share provisions.

"**Series JJ Shares**" means the Class AAA Preference Shares, Series JJ.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2023 and ending on and including December 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means AST Trust Company (Canada), a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series II Shares.

14.2 *Interpretation of Terms*

In these Series II share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series II Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series II Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series II Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series II share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 Transfers etc. Through Participants

If the Series II Shares are held through the Book-Entry Only System, then the beneficial owner thereof shall provide instructions with respect to Series II Shares only to the Depository participant through whom such beneficial owner holds such Series II Shares and registrations of ownership, transfers, purchases, surrenders and exchanges of Series II Shares will be made only through the Book-Entry Only

System. Beneficial owners of Series II Shares will not have the right to receive share certificates representing their ownership of the Series II Shares.

15.2 Depository is Registered Holder

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

37. CLASS AAA PREFERENCE SHARES, SERIES JJ

The thirty-sixth series of Class AAA Preference Shares of the Corporation shall consist of 10,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series JJ (hereinafter referred to as the "Series JJ Shares") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series JJ Share shall be $25.00.

2. Dividends

2.1 *Payment of Dividends*

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

(a) During each Quarterly Floating Rate Period, Series JJ Dividends will be in an amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

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

2.2 *Method of Payment*

Series JJ Dividends shall (except in case of redemption or conversion in which case payment of Series JJ Dividends shall, subject to the provisions of Section 15, be made on surrender of the certificate or

certificates representing the Series JJ Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 13) a cheque for such Series JJ Dividends (less any tax required to be deducted and withheld by the Corporation) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary. The posting or delivery of such cheque on or before the date on which such dividend is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque that has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

2.3 *Cumulative Payment of Dividends*

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

2.4 *Dividend for Other than a Full Quarterly Floating Rate Period*

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series JJ Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series JJ Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and $25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

3. Redemption

3.1 *Optional Redemption*

The Corporation may not redeem any of the Series JJ Shares prior to December 31, 2022. Thereafter, the Corporation may, subject to the terms of any shares ranking prior to the Series JJ Shares, to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series JJ Shares by the payment of an amount in cash for each Series JJ Share so redeemed equal to (i) $25.00 in the case of redemptions on December 31, 2027 and on December 31 every five years thereafter (each a "**Series JJ Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series JJ Conversion Date on or after December 31, 2022 in each case including all accrued and unpaid Series JJ Dividends up to but excluding the date fixed for redemption (the "**Redemption Price**") (less any tax required to be deducted and withheld by the Corporation).

3.2 *Partial Redemption*

If less than all of the then outstanding Series JJ Shares are at any time to be redeemed, then the particular Series JJ Shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or,

with the consent of the Toronto Stock Exchange, if the Series JJ Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

3.3 *Method of Redemption*

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series JJ Conversion Date of its intention to redeem such Series JJ Shares to each person who at the date of giving such notice is the Holder of Series JJ Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series JJ Shares to be redeemed in the manner provided for in Section 13. Such notice shall set out the number of such Series JJ Shares held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series JJ Shares so called for redemption, subject to the provisions of Section 15. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series JJ Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series JJ Shares called for redemption shall cease to be entitled to Series JJ Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series JJ Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 15. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

4. Conversion of Series JJ Shares

4.1 *Conversion at the Option of the Holder*

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series JJ Conversion Date, to convert all, or any part of, the then

outstanding Series JJ Shares registered in the name of the Holder into Class AAA Preference Shares, Series II ("**Series II Shares**") on the basis of one (1) Series II Share for each Series JJ Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series JJ Conversion Date to the Holders of the conversion privilege provided for herein (the "**Conversion Privilege**"). Such notice shall (i) set out the Series JJ Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30th day prior to each Series JJ Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series JJ Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series II Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series JJ Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series JJ Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series II Shares on a Series JJ Conversion Date if the Corporation determines that there would remain outstanding on the Series JJ Conversion Date less than 1,000,000 Series II Shares after taking into account all Series JJ Shares tendered for conversion into Series II Shares and all Series II Shares tendered for conversion into Series JJ Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series JJ Conversion Date and, subject to the provisions of Section 15, shall issue and deliver, or cause to be delivered, prior to such Series JJ Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series JJ Shares new certificates representing the Series JJ Shares represented by any certificate or certificates surrendered as aforesaid.

4.2 *Automatic Conversion*

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

4.3 *Manner of Conversion*

(a) Subject to the provisions of Section 15, the Conversion Privilege may be exercised by notice in writing (an "**Election Notice**") given not earlier than the 30th day prior to a Series JJ Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series JJ Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series JJ Shares in respect of which the Holder thereof desires to exercise

the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert only part of the Series JJ Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series JJ Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series JJ Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series JJ Shares into Series II Shares on the applicable Series JJ Conversion Date as provided for in Section 4.2, the Series JJ Shares which the Holders have not previously elected to convert shall be converted on the Series JJ Conversion Date into Series II Shares and the Holders thereof shall be deemed to be holders of Series II Shares at 5:00 p.m. (Toronto time) on the Series JJ Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series JJ Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series II Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 15.

(d) Subject to the provisions of Section 15, as promptly as practicable after the Series JJ Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series JJ Shares so surrendered in accordance with this Section 4, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series II Shares and the number of remaining Series JJ Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series JJ Conversion Date, so that the rights of the Holder of such Series JJ Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series II Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series II Shares at such time.

(e) The Holder of any Series JJ Share on the record date for any Series JJ Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series II Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 15, the issuance of certificates for the Series II Shares upon the conversion of Series JJ Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series II Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series II Shares are issued in respect of the issuance of such Series II Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid

to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

4.4 *Status of Converted Series JJ Shares*

All Series JJ Shares converted into Series II Shares on a Series JJ Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series JJ Conversion Date and available for issuance on the conversion of the Series II Shares.

4.5 *Right Not to Deliver Series II Shares*

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series II Shares to any Ineligible Person.

5. The Corporation's Option to Exchange

5.1 *Exchange Right*

At any time without approval of the Holders, the Corporation may, at its option, upon giving written notice (the "**Exchange Notice**") exchange all of the then outstanding Series JJ Shares (the "**Exchange Right**") into the same number of freely tradable preference shares (the "**New Series JJ Shares**") of a newly formed Canadian subsidiary ("**Successor**") of Brookfield Property Partners L.P. ("**BPY**"), provided that:

(a) the New Series JJ Shares have the same terms as the Series JJ Shares;

(b) any applicable regulatory approvals are obtained;

(c) the New Series JJ Shares are fully and unconditionally guaranteed by BPY;

(d) the New Series JJ Shares are assigned ratings which are the same or higher than the then prevailing ratings of the Series JJ Shares; and

(e) the tax considerations generally applicable to a holder of the New Series JJ Shares are the same as for the Series JJ Shares, and, except in certain limited circumstances (including where the holder does not deal at arm's length with the Successor for purposes of the Tax Act), no tax shall be payable by a holder of Series JJ Shares as a result of the exercise of the Exchange Right.

5.2 *Exchange Notice*

The Exchange Notice must be given at least ten (10) days but no more than sixty (60) days prior to the date of the exchange (the "**Exchange Date**") and must set out the number of Series JJ Shares held by the person to whom it is addressed which are to be exchanged. The Exchange Notice also must advise the Holder that the New Series JJ Shares will be registered in the name of the Holder. Such exchange will be deemed to have been made at 5:00pm (Toronto time) on the Exchange Date, so that the rights of the Holder as the holder of Series JJ Shares will cease at such time and the person or persons entitled to receive New Series JJ Shares upon such exchange will be treated for all purposes as having become the holder or holders of record of such New Series JJ Shares at such time. The Exchange Notice may be revoked on at least five (5) days written notice being given, in which case the Series JJ shares shall remain outstanding, unaffected.

5.3 *Prohibition on Exchange*

The Corporation cannot exercise the Exchange Right hereunder if any one or more of the following events has occurred:

(a) where the issuance or delivery of such New Series JJ Shares is prohibited by applicable law or by any regulatory or other authority having jurisdiction over the Corporation; or

(b) such New Series JJ Shares will not at the time of issuance be listed on the stock exchange on which the Series JJ Shares are then listed for trading.

5.4 *Delivery of Shares and Share Certificates*

On any exchange of Series JJ shares pursuant to the exercise of the Exchange Right, the share certificates for New Series JJ Shares resulting therefrom will be delivered in the name of the holder of the Series JJ Shares exchanged; provided that such Holder will (i) pay any applicable securities transfer taxes including, without limitation, any documentary, stamp, transfer or other taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Holder or (ii) will have evidenced to the satisfaction of the Corporation that such taxes, if any, have been paid.

Subject to these Series JJ share provisions, upon the exercise of the Exchange Right, any holder of Series JJ Shares to be exchanged for will be deemed to have become a holder of New Series JJ Shares of record for all purposes on the Exchange Date, notwithstanding any delay in the delivery of certificates representing the New Series JJ Shares for which such Series JJ Shares have been exchanged.

On exercise of the Exchange Right, the Corporation reserves the right not to deliver New Series JJ Shares to any Ineligible Person.

5.5 *Effect on Conversion Rights*

In the event the Exchange Right is exercised, the New Series JJ Shares would then be convertible into preference shares (the "**New Series II Shares**") of the Successor with the same terms as the Series II Shares.

6. Restrictions on Dividends and Retirement and Issue of Shares

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

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series JJ Shares) on any shares of the Corporation ranking as to dividends junior to the Series JJ Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series JJ Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series JJ Shares;

(c) redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series JJ Shares then outstanding; or

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

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

7. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 6 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series JJ Shares outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange or by private agreement or otherwise, at the lowest price or prices at which in the opinion of the directors such shares are obtainable.

8. Liquidation, Dissolution or Winding-Up

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

9. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of all Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series JJ Dividends, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than any meetings at which only holders of another specified class or series are entitled to vote, and such Holders shall have the right, at any such meeting, to one (1) vote for each Series JJ Share held. No other voting rights shall attach to the Series JJ Shares in any circumstances. Upon payment of the entire amount of all Series JJ Dividends in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 9).

10. Modifications

The Series JJ share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the *Canada Business Corporations Act*, any such approval to be given in accordance with Section 11.

11. Approval of Holders

11.1 *Approval*

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 ⅔% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the outstanding Series JJ Shares are present or represented by proxy. If at any such meeting the Holder(s) of at least 25% of the outstanding Series JJ Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date 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(s) of Series JJ Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series JJ Share held.

11.2 ***Formalities, etc.***

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

12. Tax Election

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

13. Communications with Holders

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

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

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

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

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

14. Interpretation

14.1 *Definitions*

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

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the greater of: (i) the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.23%, and (ii) 4.85%.

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

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

"**BPY**" means Brookfield Property Partners L.P. and any successor.

"**Conversion Privilege**" has the meaning attributed to it in Section 4.1(a).

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

"**Dividend Payment Date**" in respect of the dividends payable on the Series JJ Shares means the last day of each of March, June, September, and December in each year.

"**Election Notice**" has the meaning attributed to it in Section 4.3.

"**Exchange Date**" has the meaning attributed to it in Section 5.2.

"**Exchange Notice**" has the meaning attributed to it in Section 5.1.

"**Exchange Right**" has the meaning attributed to it in Section 5.1.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.23% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

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

"**Holder**" has the meaning attributed to it in Section 2.1.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series JJ Shares or Series II Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

"**New Series II Shares**" has the meaning attributed to it in Section 5.5.

"**New Series JJ Shares**" has the meaning attributed to it in Section 5.1.

"**Quarterly Commencement Date**" means the 1st day of each of January, April, July, and October in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2023 and ending on and including March 31, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Price**" has the meaning attributed to it in Section 3.1.

"**Series II Shares**" means the Class AAA Preference Shares, Series II.

"**Series JJ Conversion Date**" has the meaning attributed to it in Section 3.1.

"**Series JJ Dividends**" has the meaning attributed to it in Section 2.1.

"**Series JJ Shares**" has the meaning attributed to it in the introductory paragraph to the Series JJ share provisions.

"**Subsequent Fixed Rate Period**" means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2023 and ending on and including December 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

"**Successor**" has the meaning attributed to it in Section 5.1.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

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

"**Transfer Agent**" means AST Trust Company (Canada), a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series JJ Shares.

14.2 *Interpretation of Terms*

In these Series JJ share provisions:

(a) "**accrued and unpaid dividends**" means the aggregate of (i) all unpaid Series JJ Dividends for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series JJ Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

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

(c) in the event that any date on which any Series JJ Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a business day. A "**business day**" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series JJ share provisions any amount required by law to be deducted or withheld from that payment;

(f) reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

15. Book-Entry Only System

15.1 *Transfers etc. Through Participants*

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

15.2 *Depository is Registered Holder*

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

CLASS B PREFERENCE SHARES

The Class B Preference Shares shall, as a class, have attached thereto the following rights, privileges, restrictions and conditions:

1. Directors' Rights to Issue in One or More Series

The Class B Preference Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the directors shall fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution determine the designation, rights, privileges, restrictions and conditions to be attached to the Class B Preference Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount and method of calculation of dividends thereon, the time and place of payment of dividends, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption thereof, conversion rights (if any), voting rights attached thereto (if any) and the terms and conditions of any share purchase plan or sinking fund, the whole subject to the filing with the Director (as defined in the Act) of Articles of Amendment containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the directors.

2. Rank

(a) The Class B Preference Shares of each series shall rank equally with the Class B Preference Shares of every other series with respect to priority in the payment of dividends and return of capital. The Class B Preference Shares shall rank junior to the Class A Preference Shares, the Class AA Preference Shares, the Class AAA Preference Shares and any other shares of the Corporation ranking senior to the Class B Preference Shares with respect to priority in the payment of dividends, repayment of capital and distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs (any such distribution of assets being referred to herein as a "Distribution of Assets").

(b) If any cumulative dividends or amounts payable on a return of capital are not paid in full on all the Class B Preference Shares, the Class B Preference Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Class B Preference Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

3. Voting Rights

Except as hereinafter referred to or as required by law or in accordance with any voting rights which may from time to time be attached to any series of Class B Preference Shares, the holders of the Class B Preference Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

4. Amendment

The rights, privileges, restrictions and conditions attached to the Class B Preference Shares as a class may be added to, changed or removed by Articles of Amendment, but only with the prior approval of the holders of the Class B Preference Shares given as hereinafter specified in addition to any vote or authorization required by law.

5. Approval of Holders of Class B Preference Shares

(a) The approval of the holders of the Class B Preference Shares with respect to any and all matters referred to herein or any other matter requiring the consent of the holders of the Class B Preference Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Class B Preference Shares or passed by the affirmative vote of at least 2/3 of the votes cast by the holders of Class B Preference Shares who voted in respect of that resolution at a meeting of the holders of the Class B Preference Shares duly called for that purpose.

(b) The formalities to be observed in respect of the giving of notice of any such meeting or any adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by the Act. On every poll taken at a meeting of holders of Class B Preference Shares as a class, or at a joint meeting of the holders of two or more series of Class B Preference Shares, each holder of Class B Preference Shares entitled to vote thereat shall have one vote in respect of each $1.00 of the issue price of each Class B Preference Share held by him.

CLASS B PREFERENCE SHARES, SERIES 1

The first series of Class B Preference Shares of the Corporation shall consist of 3,600,000 Class B Preference Shares which shall be designated as Class B Preference Shares - Series 1 (hereinafter referred to as the "Series 1 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class B Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Payment of Dividends

The holders of the Series 1 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 as follows:

(a) an initial dividend (the "Initial Dividend") payable on the first Dividend Payment Date to occur after the date of issue (the "Initial Dividend Payment Date") in the amount per Series 1 Share equal to the amount obtained when the Initial Dividend Rate (as defined in clause 2) is multiplied by the Redemption Price (as defined in clause 5).

(b) dividends payable quarterly (the "Quarterly Dividends") on the last day of each of the months of March, June, September and December in each year (the "Dividend Payment Dates") commencing on the Dividend Payment Date after the Initial Dividend Payment Date, each such Quarterly Dividend to be in the amount per Series 1 Share equal to the amount obtained when the applicable Quarterly Dividend Rate (as defined in clause 2) is multiplied by the Redemption Price.

In any case where dividends are payable for a period (the "Dividend Payment Period") that ends on a date other than the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series 1 Share obtained when

(c) the Redemption Price multiplied by seventy percent (70%) of the Prime Rate for the period of ninety days ending on the date immediately preceding the end of such Dividend Payment Period

is multiplied by

(d) the result obtained when the number of days in such Dividend Payment Period is divided by 365.

Dividends shall accrue on a day-to-day basis.

2. Definitions

Where used in these share provisions, the following terms shall have the following meanings, respectively:

"Bank" means Royal Bank of Canada.

"Daily Prime Rate" means, for any day, the Daily Prime Rate for the Bank on such date; provided that if, on such day, there shall be no Daily Prime Rate for the Bank, the Daily Prime Rate for such day shall be 1.65% above the average yields at weekly tender on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for such day.

"Daily Prime Rate for the Bank" means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Bank as its prime rate.

"Initial Dividend Rate" means the result obtained when seventy percent (70%) of the Prime Rate for the period from and including the date of the initial issue of the relevant Series 1 Shares (the "Initial Issue Date") to and including the date immediately preceding the Initial Dividend Payment Date, is multiplied by the result obtained when the number of days in the period from and including the Initial Issue Date to but excluding the Initial Dividend Payment Date is divided by 365.

"Prime Rate" means, for any period, the arithmetic average (rounded upwards to the nearest one-one-hundredth of one percent (0.01%)) of the Daily Prime Rates for each date during such period.

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

"Quarterly Dividend Rate" means, in relation to any Dividend Payment Date, one-quarter of seventy percent (70%) of the Prime Rate for the three calendar months ending on the day immediately preceding such Dividend Payment Date.

3. Method of Payment

Dividends (less any tax required to be withheld by the Corporation) on the Series 1 Shares shall be paid by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the principal office in Toronto of the registrar for the Series 1 Shares, or the payment by such other reasonable means as the Corporation deems desirable, on or before the date on which such dividend is to be paid to a holder of Series 1 Shares shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation or payment by such other means is not received. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

4. Non-Cumulative Nature of Dividends

If on any date on which dividends are to be paid the dividends accrued to such date have not been declared by the directors of the Corporation, such unpaid dividends shall not cumulate, and the holders of Series 1 Shares shall only be entitled to such dividends as are declared from time to time by the directors of the Corporation in accordance with the provisions hereof.

5. Redemption at Option of Corporation

Subject to the provisions of this clause, the Corporation may, upon giving notice as hereinafter provided, redeem at any time or from time to time any part of the outstanding Series 1 Shares on payment for each share to be redeemed of an amount equal to $0.001 (the "Redemption Price") plus all dividends declared thereon and unpaid to the redemption date, such aggregate amount being hereinafter in this clause referred to as the "Aggregate Redemption Price".

In case only a part of the Series 1 Shares is at any time to be redeemed, the shares so to be redeemed may be selected in such manner as the board of directors of the Corporation in its sole discretion shall by resolution determine and, failing such determination, redemption may be effected on a pro rata basis disregarding fractions. If only a part of the Series 1 Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

In any case of redemption of Series 1 Shares, the Corporation shall, at least 30 days before the date specified for redemption, give to each person who at the date of the notice hereinafter referred to is a registered holder of Series 1 Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 1 Shares, such notice to be given as provided in clause 6 hereof. Such notice shall set out the number of Series 1 Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 1 Shares to be redeemed the Aggregate Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or at any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series 1 Shares so called for redemption. Such payment shall be made by cheque payable at any branch of the Corporation's bankers for the time being in Canada. From and after the date specified for redemption in any such notice, the Series 1 Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of the other rights of shareholders in respect thereof unless payment of the Aggregate Redemption Price shall not be made upon presentation and surrender of the certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right at any time after giving

notice of its intention to redeem Series 1 Shares to deposit the Aggregate Redemption Price of the Series 1 Shares so called for redemption, or of those Series 1 Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account at any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of Series 1 Shares called for redemption upon presentation and surrender to such bank or trust company of certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 1 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving without interest their proportionate part of the amount so deposited upon presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation.

5.1. Retraction Privilege

5.1.1 Right to Require Retraction

The Series 1 Shares may be tendered at any time for retraction. In order to elect to have the Corporation redeem Series 1 Shares pursuant to this retraction privilege, a holder of Series 1 Shares must tender to the Corporation, at its registered office, the certificate or certificates representing the Series 1 Shares which the holder wishes the Corporation to redeem together with a written notice (a "**Retraction Notice**") specifying the date (not less than 10 business days following the delivery of the Retraction Notice to the Corporation) upon which such Series 1 Shares are to be redeemed (the "**Retraction Date**").

5.1.2 Retraction Procedure

The Corporation shall redeem Series 1 Shares duly tendered pursuant to the above retraction privilege at a price equal to the Redemption Price per share, together with an amount equal to all dividends declared and unpaid thereon up to the Retraction Date (the whole constituting and being herein referred to as the "**Retraction Price**"). Such tender shall be irrevocable unless payment of the Retraction Price shall not be duly made by the Corporation to the holder on or before the Retraction Date. In the event that payment of the Retraction Price is not made by the Corporation on or before the Retraction Date, the Corporation shall forthwith thereafter return the holder's deposited share certificate or certificates to the holder.

Subject to section 5.1.3 and section 5, the Corporation shall redeem all the Series 1 Shares tendered pursuant to the above retraction privilege. If a holder of Series 1 Shares wishes to tender for redemption pursuant to the above retraction privilege a part only of the Series 1 Shares represented by any certificate or certificates, the holder may deposit the certificate or certificates and at the same time advise the Corporation in writing as to the number of Series 1 Shares with respect to which tender is being made, and the Corporation shall issue and deliver to such holder at the expense of the Corporation a new certificate representing the Series 1 Shares which are not being tendered.

The provisions of section 5 shall apply to any redemption pursuant to this section 5.1 except to the extent that such provisions are inconsistent with the provisions of this section 5.1.

5.1.3 Retraction Subject to Applicable Law

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 1 Shares, the Corporation is not permitted to redeem all of the Series 1 Shares duly tendered pursuant to the above retraction privilege, the Corporation shall redeem only the maximum number of Series 1 Shares (rounded

to the next lower multiple of 1,000 shares) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. Such redemption shall be made pro rata, disregarding fractions of shares, from each holder of tendered Series 1 Shares according to the number of Series 1 Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder at the expense of the Corporation a new certificate representing the Series 1 Shares not redeemed by the Corporation.

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 1 Shares, the Corporation fails to redeem all of the Series 1 Shares duly tendered pursuant to the above retraction privilege, then the Corporation shall redeem on each Dividend Payment Date thereafter, from Series 1 Shares tendered for redemption by the holders thereof on or before the 30th day preceding such Dividend Payment Date in the same manner as set forth in section 5.1.2, the lesser of (i) the number of Series 1 Shares so tendered, and (ii) the number of Series 1 Shares (rounded to the next lower multiple of 1,000 shares and selected pro rata, disregarding fractions of shares, from each holder of tendered Series 1 Shares according to the number of Series 1 Shares tendered by each such holder) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give any notice to the holders of Series 1 Shares in respect of the redemptions provided for in this paragraph.

So long as the board of directors of the Corporation has acted in good faith in making any of the determinations referred to above as to the number of Series 1 Shares which the Corporation is permitted at any time to redeem, neither the Corporation nor the directors shall have any liability in the event that any such determination proves to be inaccurate.

6. Notices

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be either sent to the holders of the Series 1 Shares by first class mail, postage prepaid, or delivered by hand to such holders, at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address known to the Corporation of such holder. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of the Series 1 Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Series 1 Shares herein provided for shall either be sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

7. Restrictions on Dividends and Retirement of Shares

So long as any of the Series 1 Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series 1 Shares given as hereinafter specified:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series 1 Shares) on shares ranking as to the dividends junior to the Series 1 Shares;

(b) call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital junior to the Series 1 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series 1 Shares);

(c) call for redemption, redeem, purchase or otherwise pay off or retire for value less than all of the Series 1 Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares from time to time issued, call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital on a parity with the Series 1 Shares;

unless, in each such case, all dividends then payable on the Series 1 Shares then outstanding and on all other shares of the Corporation raking as to dividends on a parity with the Series 1 Shares accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon shall have been declared and paid or set apart for payment.

8. Voting Rights

The holders of the Series 1 Shares shall not be entitled, as such, to receive notice of or attend or vote at any meeting of shareholders of the Corporation, except that they shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof.

9. Liquidation, Dissolution or Winding Up

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 1 Shares shall be entitled to receive from the assets of the Corporation a sum equal to $0.001 per Series 1 Share held by them respectively, plus an amount equal to all accrued and unpaid dividends therein up to the date of payment which, for greater certainty, shall include dividends calculated in accordance with clause 1.1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid to, or assets of the Corporation distributed amongst, the holders of any other shares of the Corporation ranking as to capital junior to the Series 1 Shares. After payment to the holders of the Series 1 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.

10. Day Not a Business Day

If any date on which any dividend on the Series 1 Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

For the purposes of these share provisions “Business Day” means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation’s registered office is located.

11. Amendment

The rights, privileges, restrictions and conditions attached to the Series 1 Shares may be added to, changed or removed by Articles of Amendment but only with the prior approval of the holders of the Series 1 Shares given as hereinafter specified in addition to any vote or authorization required by law.

12. Approval of Holders of Series 1 Shares

Any approval of the holders of the Series 1 Shares with respect to any and all matters referred to herein or of any other matter requiring the consent of the holders of the Series 1 Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Series 1 Shares or passed by the affirmative vote of at least 66 2/3% of the votes cast by the holders of Series 1 Shares who voted in respect of that resolution at a meeting of the holders of the Series 1 Shares duly called for that purpose. The quorum requirement for, the proxy rules applicable to, the formalities to be observed in respect of the giving of notice of, and the formalities to be observed in respect of the conduct of, any such meeting or any adjourned meeting shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders, or if not so prescribed, as required by the Act. On every poll taken at every meeting of holders of Series 1 Shares, each holder of Series 1 Shares entitled to vote thereat shall have one vote in respect of each Series 1 Share held.

CLASS B PREFERENCE SHARES, SERIES 2

The second series of Class B Preference Shares of the Corporation shall consist of 3,000,000 Class B Preference Shares which shall be designated as Class B Preference Shares - Series 2 (hereinafter referred to as the "Series 2 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class B Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividends

1.1 Payment of Dividends

The holders of the Series 2 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 as follows:

(a) an initial dividend (the "Initial Dividend") payable on the first Dividend Payment Date to occur after the date of issue (the "Initial Dividend Payment Date") in the amount per Series 2 Share equal to the amount obtained when the Initial Dividend Rate (as defined in clause 2) is multiplied by $25.00.

(b) dividends payable quarterly (the "Quarterly Dividends") on the last day of each of the months of March, June, September and December in each year (the "Dividend Payment Dates") commencing on the Dividend Payment Date after the Initial Dividend Payment Date, each such Quarterly Dividend to be in the amount per Series 2 Share equal to the amount obtained when the applicable Quarterly Dividend Rate (as defined in clause 2) is multiplied by $25.00.

In any case where dividends are payable for a period (the "Dividend Payment Period") that ends on a date other than the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series 2 Share obtained when

(c) $25.00 multiplied by seventy percent (70%) of the Prime Rate for the period of ninety days ending on the date immediately preceding the end of such Dividend Payment Period

is multiplied by

(d) the result obtained when the number of days in such Dividend Payment Period is divided by 365.

Dividends shall accrue on a day-to-day basis.

2. Definitions

Where used in these share provisions, the following terms shall have the following meanings, respectively:

"Bank" means Royal Bank of Canada.

"Daily Prime Rate" means, for any day, the Daily Prime Rate for the Bank on such date; provided that if, on such day, there shall be no Daily Prime Rate for the Bank, the Daily Prime Rate for such day shall be 1.65% above the average yields at weekly tender on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for such day.

"Daily Prime Rate for the Bank" means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Bank as its prime rate.

"Initial Dividend Rate" means the result obtained when seventy percent (70%) of the Prime Rate for the period from and including the date of the initial issue of the relevant Series 2 Shares (the "Initial Issue Date") to and including the date immediately preceding the Initial Dividend Payment Date, is multiplied by the result obtained when the number of days in the period from and including the Initial Issue Date to but excluding the Initial Dividend Payment Date is divided by 365.

"Prime Rate" means, for any period, the arithmetic average (rounded upwards to the nearest one-one-hundredth of one percent (0.01%)) of the Daily Prime Rates for each date during such period.

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

"Quarterly Dividend Rate" means, in relation to any Dividend Payment Date, one-quarter of seventy percent (70%) of the Prime Rate for the three calendar months ending on the day immediately preceding such Dividend Payment Date.

3. Method of Payment

Dividends (less any tax required to be withheld by the Corporation) on the Series 2 Shares shall be paid by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the principal office in Toronto of the registrar for the Series 2 Shares, or the payment by such other reasonable means as the Corporation deems desirable, on or before the date on which such dividend is to be paid to a holder of Series 2 Shares shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation or payment by such other means is not received. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain

unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

4. Non-Cumulative Nature of Dividends

If on any date on which dividends are to be paid the dividends accrued to such date have not been declared by the directors of the Corporation, such unpaid dividends shall not cumulate, and the holders of Series 2 Shares shall only be entitled to such dividends as are declared from time to time by the directors of the Corporation in accordance with the provisions hereof.

5. Redemption at Option of Corporation

Subject to the provisions of this clause, the Corporation may, upon giving notice as hereinafter provided, redeem at any time or from time to time any part of the outstanding Series 2 Shares on payment for each share to be redeemed of an amount equal to $25.00 (the "Redemption Price") plus all dividends declared thereon and unpaid to the redemption date, such aggregate amount being hereinafter in this clause referred to as the "Aggregate Redemption Price".

In case only a part of the Series 2 Shares is at any time to be redeemed, the shares so to be redeemed may be selected in such manner as the board of directors of the Corporation in its sole discretion shall by resolution determine and, failing such determination, redemption may be effected on a pro rata basis disregarding fractions. If only a part of the Series 2 Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

In any case of redemption of Series 2 Shares, the Corporation shall, at least 30 days before the date specified for redemption, give to each person who at the date of the notice hereinafter referred to is a registered holder of Series 2 Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 2 Shares, such notice to be given as provided in clause 6 hereof. Such notice shall set out the number of Series 2 Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 2 Shares to be redeemed the Aggregate Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or at any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series 2 Shares so called for redemption. Such payment shall be made by cheque payable at any branch of the Corporation's bankers for the time being in Canada. From and after the date specified for redemption in any such notice, the Series 2 Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of the other rights of shareholders in respect thereof unless payment of the Aggregate Redemption Price shall not be made upon presentation and surrender of the certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right at any time after giving notice of its intention to redeem Series 2 Shares to deposit the Aggregate Redemption Price of the Series 2 Shares so called for redemption, or of those Series 2 Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account at any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of Series 2 Shares called for redemption upon presentation and surrender to such bank or trust company of certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 2 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving without interest their proportionate part of

the amount so deposited upon presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation.

5.1. Retraction Privilege

5.1.1 Right to Require Retraction

The Series 2 Shares may be tendered at any time for retraction. In order to elect to have the Corporation redeem Series 2 Shares pursuant to this retraction privilege, a holder of Series 2 Shares must tender to the Corporation, at its registered office, the certificate or certificates representing the Series 2 Shares which the holder wishes the Corporation to redeem together with a written notice (a "**Retraction Notice**") specifying the date (not less than 10 business days following the delivery of the Retraction Notice to the Corporation) upon which such Series 2 Shares are to be redeemed (the "**Retraction Date**").

5.1.2 Retraction Procedure

The Corporation shall redeem Series 2 Shares duly tendered pursuant to the above retraction privilege at a price equal to the Redemption Price per share, together with an amount equal to all dividends declared and unpaid thereon up to the Retraction Date (the whole constituting and being herein referred to as the "**Retraction Price**"). Such tender shall be irrevocable unless payment of the Retraction Price shall not be duly made by the Corporation to the holder on or before the Retraction Date. In the event that payment of the Retraction Price is not made by the Corporation on or before the Retraction Date, the Corporation shall forthwith thereafter return the holder's deposited share certificate or certificates to the holder.

Subject to section 5.1.3 and section 5, the Corporation shall redeem all the Series 2 Shares tendered pursuant to the above retraction privilege. If a holder of Series 2 Shares wishes to tender for redemption pursuant to the above retraction privilege a part only of the Series 2 Shares represented by any certificate or certificates, the holder may deposit the certificate or certificates and at the same time advise the Corporation in writing as to the number of Series 2 Shares with respect to which tender is being made, and the Corporation shall issue and deliver to such holder at the expense of the Corporation a new certificate representing the Series 2 Shares which are not being tendered.

The provisions of section 5 shall apply to any redemption pursuant to this section 5.1 except to the extent that such provisions are inconsistent with the provisions of this section 5.1.

5.1.3 Retraction Subject to Applicable Law

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 2 Shares, the Corporation is not permitted to redeem all of the Series 2 Shares duly tendered pursuant to the above retraction privilege, the Corporation shall redeem only the maximum number of Series 2 Shares (rounded to the next lower multiple of 1,000 shares) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. Such redemption shall be made pro rata, disregarding fractions of shares, from each holder of tendered Series 2 Shares according to the number of Series 2 Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder at the expense of the Corporation a new certificate representing the Series 2 Shares not redeemed by the Corporation.

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 2 Shares,

the Corporation fails to redeem all of the Series 2 Shares duly tendered pursuant to the above retraction privilege, then the Corporation shall redeem on each Dividend Payment Date thereafter, from Series 2 Shares tendered for redemption by the holders thereof on or before the 30th day preceding such Dividend Payment Date in the same manner as set forth in section 5.1.2, the lesser of (i) the number of Series 2 Shares so tendered, and (ii) the number of Series 2 Shares (rounded to the next lower multiple of 1,000 shares and selected pro rata, disregarding fractions of shares, from each holder of tendered Series 2 Shares according to the number of Series 2 Shares tendered by each such holder) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give any notice to the holders of Series 2 Shares in respect of the redemptions provided for in this paragraph.

So long as the board of directors of the Corporation has acted in good faith in making any of the determinations referred to above as to the number of Series 2 Shares which the Corporation is permitted at any time to redeem, neither the Corporation nor the directors shall have any liability in the event that any such determination proves to be inaccurate.

6. Notices

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be either sent to the holders of the Series 2 Shares by first class mail, postage prepaid, or delivered by hand to such holders, at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address known to the Corporation of such holder. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of the Series 2 Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Series 2 Shares herein provided for shall either be sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

7. Restrictions on Dividends and Retirement of Shares

So long as any of the Series 2 Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series 2 Shares given as hereinafter specified:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series 2 Shares) on shares ranking as to the dividends junior to the Series 2 Shares;

(b) call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital junior to the Series 2 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series 2 Shares);

(c) call for redemption, redeem, purchase or otherwise pay off or retire for value less than all of the Series 2 Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares from time to time issued, call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital on a parity with the Series 2 Shares

unless, in each such case, all dividends then payable on the Series 2 Shares then outstanding and on all other shares of the Corporation raking as to dividends on a parity with the Series 2 Shares accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon shall have been declared and paid or set apart for payment.

8. Voting Rights

The holders of the Series 2 Shares shall not be entitled, as such, to receive notice of or attend or vote at any meeting of shareholders of the Corporation, except that they shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof.

9. Liquidation, Dissolution or Winding Up

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 2 Shares shall be entitled to receive from the assets of the Corporation a sum equal to $25.00 per Series 2 Shares held by them respectively, plus an amount equal to all accrued and unpaid dividends therein up to the date of payment which, for greater certainty, shall include dividends calculated in accordance with clause 1.1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid to, or assets of the Corporation distributed amongst, the holders of any other shares of the Corporation ranking as to capital junior to the Series 2 Shares. After payment to the holders of the Series 2 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.

10. Day Not a Business Day

If any date on which any dividend on the Series 2 Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

For the purposes of these share provisions "Business Day" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

11. Amendment

The rights, privileges, restrictions and conditions attached to the Series 2 Shares may be added to, changed or removed by Articles of Amendment but only with the prior approval of the holders of the Series 2 Shares given as hereinafter specified in addition to any vote or authorization required by law.

12. Approval of Holders of Series 2 Shares

Any approval of the holders of the Series 2 Shares with respect to any and all matters referred to herein or of any other matter requiring the consent of the holders of the Series 2 Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Series 2 Shares or passed by the affirmative vote of at least 66 2/3% of the votes cast by the holders of Series 2 Shares who voted in respect of that resolution

at a meeting of the holders of the Series 2 Shares duly called for that purpose. The quorum requirement for, the proxy rules applicable to, the formalities to be observed in respect of the giving of notice of, and the formalities to be observed in respect of the conduct of, any such meeting or any adjourned meeting shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders, or if not so prescribed, as required by the Act. On every poll taken at every meeting of holders of Series 2 Shares, each holder of Series 2 Shares entitled to vote thereat shall have one vote in respect of each Series 2 Share held.

CLASS B PREFERENCE SHARES, SERIES 3

The third series of Class B Preference Shares of the Corporation shall consist of 30,000 Class B Preference Shares which shall be designated as Class B Preference Shares - Series 3 (hereinafter referred to as the "Series 3 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class B Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Consideration for Issue

The consideration for the issue of each Series 3 Preferred Share shall be C$100,000.00 or its equivalent in property or past services.

2. Dividends

2.1 Payment of Dividends

The holders of the Series 3 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 as follows:

(a) an initial dividend (the "Initial Dividend") payable on the first Dividend Payment Date to occur after the date of issue (the "Initial Dividend Payment Date") in the amount per Series 3 Share equal to the amount obtained when the Initial Dividend Rate (as defined in clause 3) is multiplied by the Redemption Price (as defined in clause 6).

(b) dividends payable quarterly (the "Quarterly Dividends") on the last day of each of the months of March, June, September and December in each year (the "Dividend Payment Dates") commencing on the Dividend Payment Date after the Initial Dividend Payment Date, each such Quarterly Dividend to be in the amount per Series 3 Share equal to the amount obtained when the applicable Quarterly Dividend Rate (as defined in clause 3) is multiplied by the Redemption Price.

In any case where dividends are payable for a period (the "Dividend Payment Period") that ends on a date

other than the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series 3 Share obtained when

(a) the Redemption Price multiplied by 6.50% is multiplied by

(b) the result obtained when the number of days in such Dividend Payment Period is divided by 365.

Dividends shall accrue on a day-to-day basis.

3. Definitions

Where used in these share provisions, the following terms shall have the following meanings, respectively:

"Initial Dividend Rate" means the result obtained when 6.50% is multiplied by the result obtained when the number of days in the period from and including the Initial Issue Date to but excluding the Initial Dividend Payment Date is divided by 365.

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

"Quarterly Dividend Rate" means, in relation to any Dividend Payment Date, one-quarter of 6.50%, being 1.625%.

4. Method of Payment

Dividends (less any tax required to be withheld by the Corporation) on the Series 3 Shares shall be paid by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the principal office in Toronto of the registrar for the Series 3 Shares, or the payment by such other reasonable means as the Corporation deems desirable, on or before the date on which such dividend is to be paid to a holder of Series 3 Shares shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation or payment by such other means is not received. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

5. Non-Cumulative Nature of Dividends

If on any date on which dividends are to be paid the dividends accrued to such date have not been declared by the directors of the Corporation, such unpaid dividends shall not cumulate, and the holders of Series 3 Shares shall only be entitled to such dividends as are declared from time to time by the directors of the Corporation in accordance with the provisions hereof.

6. Redemption at Option of Corporation

Subject to the provisions of this clause, the Corporation may, upon giving notice as hereinafter provided, redeem at any time or from time to time any part of the outstanding Series 3 Shares on payment for each share to be redeemed of an amount equal to C$100,000.00 (the "Redemption Price") plus all dividends declared thereon and unpaid to the redemption date, such aggregate amount being hereinafter in this clause referred to as the "Aggregate Redemption Price".

In case only a part of the Series 3 Shares is at any time to be redeemed, the shares so to be redeemed may be selected in such manner as the board of directors of the Corporation in its sole discretion shall by resolution determine and, failing such determination, redemption may be effected on a pro rata basis disregarding fractions. If only a part of the Series 3 Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

In any case of redemption of Series 3 Shares, the Corporation shall, at least 30 days before the date specified for redemption, give to each person who at the date of the notice hereinafter referred to is a registered holder of Series 3 Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 3 Shares, such notice to be given as provided in clause 9 hereof. Such notice shall set out the number of Series 3 Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 3 Shares to be redeemed the Aggregate Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or at any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series 3 Shares so called for redemption. Such payment shall be made by cheque payable at any branch of the Corporation's bankers for the time being in Canada. From and after the date specified for redemption in any such notice, the Series 3 Shares called for redemption shall cease to be entitled to dividends or any other participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of the other rights of shareholders in respect thereof unless payment of the Aggregate Redemption Price shall not be made upon presentation and surrender of the certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right at any time after giving notice of its intention to redeem Series 3 Shares to deposit the Aggregate Redemption Price of the Series 3 Shares so called for redemption, or of those Series 3 Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account at any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of Series 3 Shares called for redemption upon presentation and surrender to such bank or trust company of certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 3 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving without interest their proportionate part of the amount so deposited upon presentation and surrenderof the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation.

7. Mandatory Redemption on Final Redemption Date

Subject to the provisions of this clause 7 and clause 10 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 3 Shares, the Corporation shall, on the final redemption date, being July 31, 2021 (the "Final Redemption Date"), redeem the then outstanding Series 3 Shares on payment for each share to be redeemed of the Redemption Price plus all dividends declared thereon and unpaid to the Final Redemption Date. If, as a result of applicable law or any provision herein, the Corporation fails to redeem all of the Series 3 Shares on the Final Redemption Date, the Corporation shall redeem as soon as possible the remaining Series 3 Shares.

8. Retraction Privilege

8.1 Right to Require Retraction

The Series 3 Shares may be tendered at any time for retraction. In order to elect to have the Corporation redeem Series 3 Shares pursuant to this retraction privilege, a holder of Series 3 Shares must tender to the Corporation, at its registered office, the certificate or certificates representing the Series 3 Shares which the holder wishes the Corporation to redeem together with a written notice (a "Retraction Notice") specifying the date (not less than 10 business days following the delivery of the Retraction Notice to the Corporation) upon which such Series 3 Shares are to be redeemed (the "Retraction Date").

8.2 **Retraction Procedure**

The Corporation shall redeem Series 3 Shares duly tendered pursuant to the above retraction privilege at a price equal to the Redemption Price per share, together with an amount equal to all dividends declared and unpaid thereon up to the Retraction Date (the whole constituting and being herein referred to as the "Retraction Price"). Such tender shall be irrevocable unless payment of the Retraction Price shall not be duly made by the Corporation to the holder on or before the Retraction Date. In the event that payment of the Retraction Price is not made by the Corporation on or before the Retraction Date, the Corporation shall forthwith thereafter return the holder's deposited share certificate or certificates to the holder.

Subject to clause 8.3 and clause 6, the Corporation shall redeem all the Series 3 Shares tendered pursuant to the above retraction privilege. If a holder of Series 3 Shares wishes to tender for redemption pursuant to the above retraction privilege a part only of the Series 3 Shares represented by any certificate or certificates, the holder may deposit the certificate or certificates and at the same time advise the Corporation in writing as to the number of Series 3 Shares with respect to which tender is being made, and the Corporation shall issue and deliver to such holder at the expense of the Corporation a new certificate representing the Series 3 Shares which are not being tendered.

The provisions of clause 6 shall apply to any redemption pursuant to this clause 8 except to the extent that such provisions are inconsistent with the provisions of this clause 8.

8.3 **Retraction Subject to Applicable Law**

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 3 Shares, the Corporation is not permitted to redeem all of the Series 3 Shares duly tendered pursuant to the above retraction privilege, the Corporation shall redeem only the maximum number of Series 3 Shares (rounded to the next lower multiple of 1,000 shares) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. Such redemption shall be made pro rata, disregarding fractions of shares, from each holder of tendered Series 3 Shares according to the number of Series 3 Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder at the expense of the Corporation a new certificate representing the Series 3 Shares not redeemed by the Corporation.

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 3 Shares, the Corporation fails to redeem all of the Series 3 Shares duly tendered pursuant to the above retraction privilege, then the Corporation shall redeem on each Dividend Payment Date thereafter, from Series 3 Shares tendered for redemption by the holders thereof on or before the 30th day preceding such Dividend Payment Date in the same manner as set forth in clause 8.2, the lesser of (i) the number of Series 3 Shares so tendered, and (ii) the number of Series 3 Shares (rounded to the next lower multiple of 1,000 shares and selected pro rata, disregarding fractions of shares, from each holder of tendered Series 3 Shares according to the number of Series 3 Shares tendered by each such holder) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give any notice to the holders of Series 3 Shares in respect of the redemptions provided for in this paragraph.

So long as the board of directors of the Corporation has acted in good faith in making any of the

determinations referred to above as to the number of Series 3 Shares which the Corporation is permitted at any time to redeem, neither the Corporation nor the directors shall have any liability in the event that any such determination proves to be inaccurate.

9. **Notices**

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be either sent to the holders of the Series 3 Shares by first class mail, postage prepaid, or delivered by hand to such holders, at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address known to the Corporation of such holder. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of the Series 3 Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Series 3 Shares herein provided for shall either be sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

10. **Restrictions on Dividends and Retirement of Shares**

So long as any of the Series 3 Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series 3 Shares given as hereinafter specified:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series 3 Shares) on shares ranking as to the dividends junior to the Series 3 Shares;

(b) call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital junior to the Series 3 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series 3 Shares);

(c) call for redemption, redeem, purchase or otherwise pay off or retire for value less than all of the Series 3 Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares from time to time issued, call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital on a parity with the Series 3 Shares;

unless, in each such case, all dividends then payable on the Series 3 Shares then outstanding and on all other shares of the Corporation raking as to dividends on a parity with the Series 3 Shares accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon shall have been declared and paid or set apart for payment.

11. **Voting Rights**

The holders of the Series 3 Shares shall not be entitled, as such, to receive notice of or attend or vote at any meeting of shareholders of the Corporation, except that they shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof.

12. **Liquidation, Dissolution or Winding Up**

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

of winding up its affairs, the holders of the Series 3 Shares shall be entitled to receive from the assets of the Corporation a sum equal to C$100,000.00 per Series 3 Share held by them respectively, plus an amount equal to all declared and unpaid dividends therein up to the date of payment which, for greater certainty, shall include dividends calculated in accordance with clause 2.1 before any amount shall be paid to, or assets of the Corporation distributed amongst, the holders of any other shares of the Corporation ranking as to capital junior to the Series 3 Shares. After payment to the holders of the Series 3 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.

13. Day Not a Business Day

If any date on which any dividend on the Series 3 Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

For the purposes of these share provisions "Business Day" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

14. Amendment

The rights, privileges, restrictions and conditions attached to the Series 3 Shares may be added to, changed or removed by Articles of Amendment but only with the prior approval of the holders of the Series 3 Shares given as hereinafter specified in addition to any vote or authorization required by law.

15. Approval of Holders of Series 3 Shares

Any approval of the holders of the Series 3 Shares with respect to any and all matters referred to herein or of any other matter requiring the consent of the holders of the Series 3 Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Series 3 Shares or passed by the affirmative vote of at least 66 2/3% of the votes cast by the holders of Series 3 Shares who voted in respect of that resolution at a meeting of the holders of the Series 3 Shares duly called for that purpose. The quorum requirement for, the proxy rules applicable to, the formalities to be observed in respect of the giving of notice of, and the formalities to be observed in respect of the conduct of, any such meeting or any adjourned meeting shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders, or if not so prescribed, as required by the Act. On every poll taken at every meeting of holders of Series 3 Shares, each holder of Series 3 Shares entitled to vote thereat shall have one vote in respect of each Series 3 Share held.

CLASS B PREFERENCE SHARES, SERIES 4

The fourth series of Class B Preference Shares of the Corporation shall consist of 42,000 Class B Preference Shares which shall be designated as Class B Preference Shares - Series 4 (hereinafter referred to as the "Series 4 Shares") and which, in addition to the rights, privileges, restrictions and conditions attached to the Class B Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

1. **Consideration for Issue**

The consideration for the issue of each Series 4 Preferred Share shall be C$100,000.00 or its equivalent in property or past services.

2. **Dividends**

2.1 **Payment of Dividends**

The holders of the Series 4 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, cumulative preferential cash dividends as follows:

(a) an initial dividend (the "Initial Dividend") payable on the first Dividend Payment Date to occur after the date of issue (the "Initial Dividend Payment Date") in the amount per Series 4 Share equal to the amount obtained when the Initial Dividend Rate (as defined in clause 3) is multiplied by the Redemption Price (as defined in clause 6).

(b) dividends payable quarterly (the "Quarterly Dividends") on the last day of each of the months of March, June, September and December in each year (the "Dividend Payment Dates") commencing on the Dividend Payment Date after the Initial Dividend Payment Date, each such Quarterly Dividend to be in the amount per Series 4 Share equal to the amount obtained when the applicable Quarterly Dividend Rate (as defined in clause 3) is multiplied by the Redemption Price.

In any case where dividends are payable for a period (the "Dividend Payment Period") that ends on a date other than the Initial Dividend Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series 4 Share obtained when

(a) the Redemption Price multiplied by 6.00% is multiplied by

(b) the result obtained when the number of days in such Dividend Payment Period is divided by 365.

Dividends shall accrue on a day-to-day basis.

3. **Definitions**

Where used in these share provisions, the following terms shall have the following meanings, respectively:

"Initial Dividend Rate" means the result obtained when 6.00% is multiplied by the result obtained when the number of days in the period from and including the Initial Issue Date to but excluding the Initial Dividend Payment Date is divided by 365.

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

"Quarterly Dividend Rate" means, in relation to any Dividend Payment Date, one-quarter of 6.00%, being 1.50%.

4. Method of Payment

Dividends (less any tax required to be withheld by the Corporation) on the Series 4 Shares shall be paid by cheque payable in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable. The mailing of such cheque from the Corporation's registered office, or the principal office in Toronto of the registrar for the Series 4 Shares, or the payment by such other reasonable means as the Corporation deems desirable, on or before the date on which such dividend is to be paid to a holder of Series 4 Shares shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation or payment by such other means is not received. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of 6 years from the date on which they were declared to be payable shall be forfeited to the Corporation.

5. Cumulative Nature of Dividends

If on any date on which dividends are to be paid the dividends accrued to such date have are not paid in full on all of the Series 4 Shares then outstanding, such unpaid dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such unpaid dividends. The Holders shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

6. Redemption at Option of Corporation

Subject to the provisions of this clause, the Corporation may, upon giving notice as hereinafter provided, redeem at any time or from time to time any part of the outstanding Series 4 Shares on payment for each share to be redeemed of an amount equal to C$100,000.00 (the "Redemption Price") plus all dividends accrued thereon and unpaid to the redemption date, such aggregate amount being hereinafter in this clause referred to as the "Aggregate Redemption Price".

In case only a part of the Series 4 Shares is at any time to be redeemed, the shares so to be redeemed may be selected in such manner as the board of directors of the Corporation in its sole discretion shall by resolution determine and, failing such determination, redemption may be effected on a pro rata basis disregarding fractions. If only a part of the Series 4 Shares represented by any certificate shall be redeemed, a new certificate representing the balance of such shares shall be issued to the holder thereof at the expense of the Corporation upon presentation and surrender of the first mentioned certificate.

In any case of redemption of Series 4 Shares, the Corporation shall, at least 30 days before the date specified for redemption, give to each person who at the date of the notice hereinafter referred to is a registered holder of Series 4 Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 4 Shares, such notice to be given as provided in clause 9 hereof. Such notice shall set out the number of Series 4 Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 4 Shares to be redeemed the Aggregate Redemption Price of such shares on presentation and surrender, at the registered office of the Corporation or at any other place or places within Canada specified in such notice of redemption, of the certificate or certificates representing the Series 4 Shares so called for redemption. Such payment shall be made by cheque payable at any branch of the Corporation's bankers for the time being in Canada. From and after the date specified for redemption in any such notice, the Series 4 Shares called for redemption shall cease to be entitled to dividends or any other participation in

the assets of the Corporation and the holders thereof shall not be entitled to exercise any of the other rights of shareholders in respect thereof unless payment of the Aggregate Redemption Price shall not be made upon presentation and surrender of the certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right at any time after giving notice of its intention to redeem Series 4 Shares to deposit the Aggregate Redemption Price of the Series 4 Shares so called for redemption, or of those Series 4 Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account at any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of Series 4 Shares called for redemption upon presentation and surrender to such bank or trust company of certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 4 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of the holders thereof shall be limited to receiving without interest their proportionate part of the amount so deposited upon presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation.

7. Mandatory Redemption on Final Redemption Date

Subject to the provisions of this clause 7 and clause 10 and to the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 4 Shares, the Corporation shall, on the final redemption date, July 31, 2021 (the "Final Redemption Date"), redeem the then outstanding Series 4 Shares on payment for each share to be redeemed of the Redemption Price plus all dividends accrued thereon and unpaid to the Final Redemption Date. If, as a result of applicable law or any provision herein, the Corporation fails to redeem all of the Series 4 Shares on the Final Redemption Date, the Corporation shall redeem as soon as possible the remaining Series 4 Shares.

8. Retraction Privilege

8.1 Right to Require Retraction

The Series 4 Shares may be tendered at any time for retraction. In order to elect to have the Corporation redeem Series 4 Shares pursuant to this retraction privilege, a holder of Series 4 Shares must tender to the Corporation, at its registered office, the certificate or certificates representing the Series 4 Shares which the holder wishes the Corporation to redeem together with a written notice (a "Retraction Notice") specifying the date (not less than 10 business days following the delivery of the Retraction Notice to the Corporation) upon which such Series 4 Shares are to be redeemed (the "Retraction Date").

8.2 Retraction Procedure

The Corporation shall redeem Series 4 Shares duly tendered pursuant to the above retraction privilege at a price equal to the Redemption Price per share, together with an amount equal to all dividends accrued and unpaid thereon up to the Retraction Date (the whole constituting and being herein referred to as the "Retraction Price"). Such tender shall be irrevocable unless payment of the Retraction Price shall not be duly made by the Corporation to the holder on or before the Retraction Date. In the event that payment of the Retraction Price is not made by the Corporation on or before the Retraction Date, the Corporation shall forthwith thereafter return the holder's deposited share certificate or certificates to the holder.

Subject to clause 8.3 and clause 6, the Corporation shall redeem all the Series 4 Shares tendered pursuant to the above retraction privilege. If a holder of Series 4 Shares wishes to tender for redemption pursuant to the above retraction privilege a part only of the Series 4 Shares represented by any certificate or certificates, the holder may deposit the certificate or certificates and at the same time advise the Corporation in writing

as to the number of Series 4 Shares with respect to which tender is being made, and the Corporation shall issue and deliver to such holder at the expense of the Corporation a new certificate representing the Series 4 Shares which are not being tendered.

The provisions of clause 6 shall apply to any redemption pursuant to this clause 8 except to the extent that such provisions are inconsistent with the provisions of this clause 8.

8.3 **Retraction Subject to Applicable Law**

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 4 Shares, the Corporation is not permitted to redeem all of the Series 4 Shares duly tendered pursuant to the above retraction privilege, the Corporation shall redeem only the maximum number of Series 4 Shares (rounded to the next lower multiple of 1,000 shares) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. Such redemption shall be made pro rata, disregarding fractions of shares, from each holder of tendered Series 4 Shares according to the number of Series 4 Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder at the expense of the Corporation a new certificate representing the Series 4 Shares not redeemed by the Corporation.

If, as a result of insolvency provisions or other provisions of applicable law or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking prior to the Series 4 Shares, the Corporation fails to redeem all of the Series 4 Shares duly tendered pursuant to the above retraction privilege, then the Corporation shall redeem on each Dividend Payment Date thereafter, from Series 4 Shares tendered for redemption by the holders thereof on or before the 30th day preceding such Dividend Payment Date in the same manner as set forth in clause 8.2, the lesser of (i) the number of Series 4 Shares so tendered, and (ii) the number of Series 4 Shares (rounded to the next lower multiple of 1,000 shares and selected pro rata, disregarding fractions of shares, from each holder of tendered Series 4 Shares according to the number of Series 4 Shares tendered by each such holder) which the board of directors of the Corporation determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give any notice to the holders of Series 4 Shares in respect of the redemptions provided for in this paragraph.

So long as the board of directors of the Corporation has acted in good faith in making any of the determinations referred to above as to the number of Series 4 Shares which the Corporation is permitted at any time to redeem, neither the Corporation nor the directors shall have any liability in the event that any such determination proves to be inaccurate.

9. Notices

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be either sent to the holders of the Series 4 Shares by first class mail, postage prepaid, or delivered by hand to such holders, at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address known to the Corporation of such holder. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of the Series 4 Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Series 4 Shares herein provided for shall either be sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

10. Restrictions on Dividends and Retirement of Shares

So long as any of the Series 4 Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series 4 Shares given as hereinafter specified:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series 4 Shares) on shares ranking as to the dividends junior to the Series 4 Shares;

(b) call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital junior to the Series 4 Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series 4 Shares);

(c) call for redemption, redeem, purchase or otherwise pay off or retire for value less than all of the Series 4 Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares from time to time issued, call for redemption, redeem, purchase or otherwise pay off or retire for value any shares ranking as to capital on a parity with the Series 4 Shares;

unless, in each such case, all dividends then payable on the Series 4 Shares then outstanding and on all other shares of the Corporation raking as to dividends on a parity with the Series 4 Shares accrued up to and including the dividends payable on the immediately preceding respective date or dates for the payment of dividends thereon shall have been declared and paid or set apart for payment.

11. Voting Rights

The holders of the Series 4 Shares shall not be entitled, as such, to receive notice of or attend or vote at any meeting of shareholders of the Corporation, except that they shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof.

12. Liquidation, Dissolution or Winding Up

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 4 Shares shall be entitled to receive from the assets of the Corporation a sum equal to C$100,000.00 per Series 4 Share held by them respectively, plus an amount equal to all accrued and unpaid dividends therein up to the date of payment which, for greater certainty, shall include dividends calculated in accordance with clause 2.1 before any amount shall be paid to, or assets of the Corporation distributed amongst, the holders of any other shares of the Corporation ranking as to capital junior to the Series 4 Shares. After payment to the holders of the Series 4 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.

13. Day Not a Business Day

If any date on which any dividend on the Series 4 Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such

dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

For the purposes of these share provisions "Business Day" means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation's registered office is located.

14. Amendment

The rights, privileges, restrictions and conditions attached to the Series 4 Shares may be added to, changed or removed by Articles of Amendment but only with the prior approval of the holders of the Series 4 Shares given as hereinafter specified in addition to any vote or authorization required by law.

15. Approval of Holders of Series 4 Shares

Any approval of the holders of the Series 4 Shares with respect to any and all matters referred to herein or of any other matter requiring the consent of the holders of the Series 4 Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of outstanding Series 4 Shares or passed by the affirmative vote of at least 66 2/3% of the votes cast by the holders of Series 4 Shares who voted in respect of that resolution at a meeting of the holders of the Series 4 Shares duly called for that purpose. The quorum requirement for, the proxy rules applicable to, the formalities to be observed in respect of the giving of notice of, and the formalities to be observed in respect of the conduct of, any such meeting or any adjourned meeting shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders, or if not so prescribed, as required by the Act. On every poll taken at every meeting of holders of Series 4 Shares, each holder of Series 4 Shares entitled to vote thereat shall have one vote in respect of each Series 4 Share held.

EXHIBIT IV

1. COMMON SHARES

The common shares shall as a class carry and be subject to the following rights, restrictions, conditions and limitations that is to say:

1.1 The holders of the common shares shall be entitled to receive notice of and to attend all shareholders' meetings and for all purposes shall be entitled to one vote for each common share held.

1.2 The holders of the common shares shall be entitled to receive any dividends declared thereon by the board of directors of the Corporation.

1.3 In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of its assets among the shareholders by way of return of capital, the holders of the common shares shall be entitled to receive after distribution to the holders of the Class A preference shares and the Class AA preference shares the remaining property of the Corporation.

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