



**Certificate
of Amendment**

**Canada Business
Corporations Act**

**Certificat
de modification**

**Loi canadienne sur
les sociétés par actions**

GREAT-WEST LIFECO INC.

007478-1

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

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

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

(a) under section 13 of the *Canada Business Corporations Act* in accordance with the attached notice;

a) en vertu de l'article 13 de la *Loi canadienne sur les sociétés par actions*, conformément à l'avis ci-joint;

(b) under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares;

b) en vertu de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes désignant une série d'actions;

(c) under section 179 of the *Canada Business Corporations Act* as set out in the attached articles of amendment;

c) en vertu de l'article 179 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes;

(d) under section 191 of the *Canada Business Corporations Act* as set out in the attached articles of reorganization.

d) en vertu de l'article 191 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses de réorganisation ci-jointes.

Director - Directeur

November 6, 1997/le 6 novembre 1997

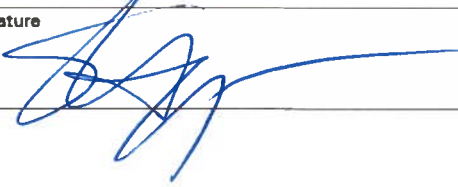
Date of Amendment - Date de modification



1 - Name of corporation - Dénomination de la société GREAT-WEST LIFECO INC.	2 - Corporation No. - N° de la société 0074781
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3 - The articles of the above-named corporation are amended as follows: Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante :

The authorized capital of the Corporation is amended by creating the first series of Class A Preferred Shares which shall consist of 32,000,000 shares designated "Non-Cumulative Class A Preferred Shares, Series 1", and the rights, privileges, restrictions and conditions attaching thereto are set out in the annexed Schedule 1 which is incorporated in this form.

Date November 3, 1997	Signature 	Title - Titre Vice-President, Counsel and Secretary, Canada
		FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT Filed - Déposée NOV 6 1997

SCHEDULE 1

GREAT-WEST LIFE CO INC. NON-CUMULATIVE CLASS A PREFERRED SHARES, SERIES 1 RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS

The first series of Class A Preferred Shares shall consist of 32,000,000 shares designated "Non-Cumulative Class A Preferred Shares, Series 1" (the "Class A Series 1 Shares") and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

ARTICLE 1 DIVIDENDS

1.1 Dividend Payment Dates and Dividend Periods

The dividend payment dates (the "Dividend Payment Dates") in respect of dividends payable on the Class A Series 1 Shares shall be the last day of each of the months of January, April, July and October in each year. A "Dividend Period" means the period from and including the date of issue of the Class A Series 1 Shares to but excluding the first Dividend Payment Date after the date of issue and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

1.2 Payment of Dividends

Subject to section 2.9, the holders of Class A 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 moneys of the Corporation properly applicable to the payment of dividends, non-cumulative, preferential cash dividends (the "Quarterly Dividends") payable, with respect to each Dividend Period, on the Dividend Payment Date immediately following the end of such Dividend Period, the first of such dividends to be payable on January 31, 1998 and to be in an amount per share determined in accordance with section 1.3. For all subsequent Dividend Periods, dividends, subject to section 1.3, shall be in an amount per Class A Series 1 Share equal to \$0.3125 per share.

1.3 Dividend for Other than a Full Dividend Period

Subject to section 2.9, the holders of Class A Series 1 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, non-cumulative, preferential cash dividends for any period which is less than a full Dividend Period as follows:

- (a) an initial dividend in respect of the period from and including the date of the initial issue of the Class A Series 1 Shares to but excluding the next succeeding Dividend Payment Date (the "Initial Dividend Period") 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 days in the Initial Dividend Period and the denominator of which is 365; and
- (b) a dividend in an amount per share with respect to any Class A Series 1 Share:
 - (i) which is issued, redeemed, purchased or converted during any Dividend Period, or
 - (ii) where the assets of the Corporation are distributed to the holders of the Class A Series 1 Shares pursuant to section 3.2 of the provisions attaching to the Class A Preferred Shares as a class with an effective date during any Dividend Period,

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 days in such Dividend Period that such share has been outstanding (excluding the date of issue, redemption, purchase or conversion or the effective date for the distribution of assets) and the denominator of which is the number of days in the year in which such Dividend Period falls.

1.4 Payment Procedure

Subject to sections 2.5 and 2.9, the Corporation shall pay the dividends on the Class A Series 1 Shares on the relevant Dividend Payment Date (less any tax required to be deducted or withheld by the Corporation) by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada. The delivery or mailing of any cheque to a holder of Class A Series 1 Shares shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise 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.

**ARTICLE 2
REDEMPTION, CONVERSION AND PURCHASE**

2.1 General

Subject to Article 5 and to the extent permitted by applicable law, the Class A Series 1 Shares may be redeemed, converted or purchased by the Corporation as provided in Articles 2 and 3 but not otherwise.

2.2 Corporation's Redemption Rights

The Class A Series 1 Shares shall not be redeemable prior to October 31, 2004. The Corporation may, upon giving notice as hereinafter provided, redeem on or after October 31, 2004 at any time the whole or from time to time any part of the then outstanding Class A Series 1 Shares, by the payment of an amount in cash for each Class A Series 1 Share so redeemed equal to the sum of \$25.00 plus an amount equal to all declared and unpaid dividends thereon to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation) (the "Redemption Price"). If less than all of the outstanding Class A Series 1 Shares are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata (disregarding fractions) or in such other manner as the board of directors or a committee thereof in its sole discretion shall by resolution determine.

2.3 Corporation's Conversion Rights

The Class A Series 1 Shares shall not be convertible at the option of the Corporation prior to October 31, 2004. Subject to the approval of The Toronto Stock Exchange (the "TSE"), The Montreal Exchange (the "ME") and the Winnipeg Stock Exchange, the Corporation may, by giving notice as hereinafter provided, at any time on or after October 31, 2004 convert the whole or from time to time any part of the then outstanding Class A Series 1 Shares into fully paid, non-assessable and freely tradeable (in all provinces of Canada) Common Shares (as hereinafter defined) of the Corporation on the basis that the Class A Series 1 Shares of each holder called for conversion by the Corporation will be converted into (subject to the exception as to fractions contained in section 2.13) that number (the holder's "Common Share Conversion Number") of Common Shares as is equal to the product of:

- (a) the number obtained when
 - (i) \$25.00 plus an amount equal to all declared and unpaid dividends per Class A Series 1 Share up to but excluding the date fixed for conversion,

is divided by

- (ii) the greater of (A) \$3.00 and (B) 95% of the weighted average trading price of all Common Shares of the Corporation traded on the TSE for the 20 trading days ending on the last trading day occurring on the fourth day immediately prior to the date specified for conversion or, if such fourth day is not a trading day on the TSE, then the last trading day ending immediately prior to such fourth day (such greater price being the "Weighted Price"),

with the result of that calculation being rounded upward to the nearest 1/100 of a Common Share; and

- (b) the number of Class A Series 1 Shares of such holder being converted.

If less than all of the outstanding Class A Series 1 Shares are to be converted, the shares to be converted shall be selected by lot or pro rata (disregarding fractions) or in such other manner as the board of directors or a committee thereof in its sole discretion shall by resolution determine.

2.4 Notice of Redemption or Conversion

Notice of the redemption or conversion of Class A Series 1 Shares shall be given by the Corporation not less than 30 nor more than 60 days prior to the date fixed for redemption or conversion to each holder of Class A Series 1 Shares to be redeemed or converted, as the case may be. Such notice shall set out:

- (a) the date (the "Redemption Date" or the "Conversion Date", as the case may be) on which the redemption or conversion is to take place;
- (b) unless all the Class A Series 1 Shares held by the holder to whom it is addressed are to be redeemed or converted, the number of Class A Series 1 Shares so held which are to be redeemed or converted;
- (c) whether the Corporation shall redeem or convert such Class A Series 1 Shares;
- (d) the Redemption Price or the method of determining the Common Share Conversion Number, as the case may be; and
- (e) where the Class A Series 1 Shares are to be converted into Common Shares, the advice that such Common Shares will be registered in the name of the registered holder of the Class A Series 1 Shares to be converted unless the transfer agent for the Class A Series 1 Shares (the "Transfer Agent") receives from such holder, on or before the tenth day prior to the Conversion Date (the "Transferee Notice Date"), at the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, written notice in a form and

executed in a manner satisfactory to the Transfer Agent directing the Corporation to register such Common Shares in some other name or names (the "Transferee") and stating the name or names (with addresses) accompanied by payment to the Transfer Agent of any transfer tax that may be payable by reason thereof and a written declaration of such matters as may be required by law in order to determine the entitlement of such Transferee to hold such Common Shares.

The Corporation shall issue and deliver to one or more Canadian business news services a press release within 24 hours of the end of the 20 trading day period for calculation of the Weighted Price announcing the number of Lifeco Common Shares into which each Class A Series 1 Share may be converted.

2.5 Payment of Redemption Price

On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Class A Series 1 Shares so called for redemption the Redemption Price therefor on presentation and delivery at the head office of the Corporation, the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, or such other place or places in Canada designated in the notice of redemption, of the certificate or certificates representing the Class A Series 1 Shares so called for redemption. Such payment shall be made by cheque and shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Class A Series 1 Shares so called for redemption unless the cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Class A Series 1 Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Class A Series 1 Shares in respect of such shares except the right to receive therefor the Redemption Price, provided that if payment of such Redemption Price is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired. If less than all the Class A Series 1 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder.

2.6 Deposit of Redemption Price

The Corporation shall have the right at any time after mailing a notice of redemption to deposit the aggregate Redemption Price of the Class A Series 1 Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, in a special account with a Canadian chartered bank or trust company for the holders of such shares, and upon such deposit being made or upon the date fixed for redemption, whichever is the later, the Class A Series 1 Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof shall be limited to receiving, without interest, his proportionate part of the Redemption Price so deposited upon presentation and surrender of the certificate or certificates representing the Class A Series 1 Shares so redeemed. Any interest on any such deposit shall belong to the Corporation.

Redemption moneys which remain unclaimed for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

2.7 Delivery of Share Certificates on Conversion

In the case of a conversion of Class A Series 1 Shares into Common Shares, on and after the Conversion Date the Corporation shall deliver to each holder of Class A Series 1 Shares so called for conversion the holder's Common Share Conversion Number of Common Shares on presentation and delivery by the holder at the head office of the Corporation, the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, or such other place or places in Canada designated in the notice of conversion, of the certificate or certificates representing the Class A Series 1 Shares so called for conversion. The Corporation shall deliver or cause to be delivered certificates representing such Common Shares registered in the name of the holders of Class A Series 1 Shares to be converted, or as such holders shall have directed as contemplated by section 2.4(e). Class A Series 1 Shares so converted shall be converted effective on the Conversion Date. From and after the Conversion Date, the holders of Class A Series 1 Shares so converted who have not presented and delivered the certificate or certificates representing such shares as herein required shall cease to be entitled to dividends on such Class A Series 1 Shares or to exercise any of the rights of holders of Class A Series 1 Shares in respect of such shares except the right to receive therefor the holder's Common Share Conversion Number of Common Shares and any payment with respect to a fraction of a Common Share. If less than all the Class A Series 1 Shares represented by any certificate shall be redeemed or converted, a new certificate for the balance shall be issued without cost to the holder.

2.8 Common Shares to be Listed

The Corporation shall not exercise its right to convert any Class A Series 1 Shares into Common Shares if on the date for giving notice or on the Conversion Date the Common Shares are not listed on the TSE or the ME. The Corporation shall use its best efforts to ensure that so long as any Class A Series 1 Shares are outstanding, the Common Shares of the Corporation shall continue to be listed on the TSE and the ME.

2.9 Declaration of Dividends in Respect of Shares to be Converted

In the event that a dividend is declared by the board of directors of the Corporation in respect of any Dividend Period in which the Class A Series 1 Shares are converted into Common Shares at the option of the Corporation, notwithstanding the provisions of section 1.4, no cheque shall be issued in payment of such dividend and the holder of the Class A Series 1 Shares so called for conversion shall be deemed to have subscribed for such number of Common Shares of the Corporation as is equal to the number obtained when the amount of the declared and unpaid dividend is divided by the greater of (i) \$3.00 and (ii) 95% of the Weighted Price, with the result of that calculation being rounded upward to the nearest 1/100 of a Common Share; such

number of Common Shares to be issued to such holder as part of, and not in addition to, the Common Shares issued to such holder pursuant to the provisions of section 2.3.

2.10 Purchase

The Corporation may purchase at any time all or from time to time any number of the outstanding Class A Series 1 Shares in the open market (including purchases through or from an investment dealer or firm holding membership on a stock exchange) or pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of the Class A Series 1 Shares, at a price per share in each case not exceeding \$25.00 plus costs of purchase. If upon any invitation for tenders the Corporation receives tenders for Class A Series 1 Shares at the same price in an aggregate number greater than the number for which the Corporation is prepared to accept tenders, the shares to be purchased shall be selected from the shares offered at such price as nearly as may be pro rata (to the nearest 10 shares) according to the number of Class A Series 1 Shares offered in each such tender, or in such manner as the board of directors or a committee thereof in its sole discretion shall by resolution determine. If part only of the Class A Series 1 Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued without cost to the holder.

2.11 Conversion into Another Series of Preferred Shares

To the extent permitted by applicable law and the articles of the Corporation, the Corporation may at any time on or after October 31, 2004 designate a further series of preferred shares (the "New Preferred Shares") and notify the holders of Class A Series 1 Shares that they have the right pursuant to the terms of the Class A Series 1 Shares, at their option, to convert their Class A Series 1 Shares into fully paid, non-assessable and freely tradeable (in all provinces of Canada) New Preferred Shares on a share for share basis on a date specified by the Corporation in such notice (the "Exchange Date"). Such notice shall be given not less than 30 nor more than 60 days prior to the Exchange Date, shall provide the details of the terms and conditions of the New Preferred Shares and instructions on how to convert Class A Series 1 Shares into New Preferred Shares and shall be accompanied by the proper form of instrument of surrender. The Class A Series 1 Shares will be so convertible into New Preferred Shares only if, in the opinion of counsel to the Corporation, such New Preferred Shares will not, if issued, be or be deemed to be "term preferred shares" within the meaning of the *Income Tax Act* (Canada) if such definition were read without reference to paragraph (f) of the definition of "term preferred shares" set out in subsection 248(1) of such Act.

2.12 Manner of Conversion into Another Series of Preferred Shares

Class A Series 1 Shares may be converted by the holder of such shares tendering to the Corporation on or prior to the Exchange Date the certificate or certificates representing the Class A Series 1 Shares to be so converted and the written instrument of surrender in form

satisfactory to the Corporation and duly executed by the registered holder of the Class A Series 1 Shares represented by the certificate or certificates so surrendered. In the written instrument of surrender, the holder may elect to convert all or a portion of the Class A Series 1 Shares represented by such certificate or certificates into New Preferred Shares.

The Corporation shall, on presentation and delivery at the head office of the Corporation, the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Class A Series 1 Shares to be converted, issue and deliver or cause to be delivered as soon as is reasonably practicable after the Exchange Date a certificate or certificates representing the New Preferred Shares into which such Class A Series 1 Shares have been converted. Such certificate or certificates shall be registered in the name of the holder of the Class A Series 1 Shares so converted or in such name or names as he may specify in the written instrument accompanying the Class A Series 1 Shares to be converted. The Class A Series 1 Shares so converted shall be converted, and the holder thereof shall become a holder of record of New Preferred Shares, effective on the Exchange Date. If less than all the Class A Series 1 Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued without cost to the holder.

2.13 Avoidance of Fractional Shares

In any case where a fraction of a Common Share would otherwise be issuable on conversion of one or more Class A Series 1 Shares, the Corporation shall adjust such fractional interest by payment by cheque in an amount equal to the then market price of such fractional interest computed on the basis of the Weighted Price determined in respect of the relevant Conversion Date.

ARTICLE 3 HOLDER'S CONVERSION RIGHT

3.1 Conversion Right

Subject to the option of the Corporation in section 3.4, each Class A Series 1 Share shall, on and after January 31, 2005, at the option of the holder, be convertible into (subject to the exception as to fractions contained in section 3.5) that number of fully paid, non-assessable and freely tradeable (in all provinces of Canada) Common Shares as is equal to the number obtained when \$25.00 is divided by the greater of \$3.00 and 95% of the Weighted Price, with the result of such calculation being rounded up to the nearest 1/100 of a Common Share. The holder of Class A Series 1 Shares to be converted is entitled to receive any dividend which has been previously declared and which is payable on the date of such conversion.

Not less than 60 nor more than 120 days prior to January 31, 2005, the Corporation shall give to the registered holders of the Class A Series 1 Shares notice of this conversion right containing instructions to such holders as to the method by which such conversion right may be exercised, as set out in section 3.2.

3.2 Manner of Conversion

Class A Series 1 Shares may be converted by the holder of such shares tendering to the Corporation not less than 30 days prior to the date fixed for conversion by such holder the certificate or certificates for the Class A Series 1 Shares to be converted with the notice of conversion on the reverse side thereof (the "Conversion Notice") duly completed. Subject to section 3.4 and to the right to accept an offer to convert Class A Series 1 Shares into New Preferred Shares under section 2.11, such Conversion Notice shall be irrevocable and shall set out:

- (a) the Conversion Date;
- (b) unless all the Class A Series 1 Shares held by the holder by whom such notice is given are to be converted, the number of Class A Series 1 Shares so held which are to be converted; and
- (c) an acknowledgement that the Common Shares into which the Class A Series 1 Shares are to be converted are to be registered in the name of the registered holder of the Class A Series 1 Shares to be converted unless such holder, on or before the tenth day prior to the Conversion Date, provides to the Transfer Agent at the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, a written notice in a form and executed in a manner satisfactory to the Transfer Agent directing the Corporation to register such Common Shares in the name of a Transferee or Transferees and stating the name or names (with addresses) of such Transferee or Transferees accompanied by payment to the Transfer Agent of any transfer tax that may be payable by reason thereof and a written declaration of such matters as may be required by law in order to determine the entitlement of any such Transferee to hold such Common Shares.

3.3 Delivery of Share Certificates

Subject to section 3.4, the Corporation shall, on presentation and delivery at the head office of the Corporation, the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Class A Series 1 Shares so surrendered for conversion, deliver or cause to be delivered certificates representing the number of whole Common Shares into which such Class A Series 1 Shares are to be converted, registered in the name of the holder of the Class A Series 1 Shares to be

converted, or as such holder shall have directed as aforesaid, as the case may be, on the Conversion Date. The Class A Series 1 Shares so converted shall be converted, and the holder thereof shall become a holder of Common Shares of record, effective on the Conversion Date. If less than all the Class A Series 1 Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued without cost to the holder.

3.4 Option of the Corporation

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

- (a) redeem on the Conversion Date all but not less than all of the Class A Series 1 Shares forming the subject matter of the applicable Conversion Notice at the Redemption Price provided for in section 2.2, in which event such redemption shall be effected on the Conversion Date by mailing a cheque of the Corporation or of the Transfer Agent in an amount equal to the Redemption Price to the holder of the Class A Series 1 Shares entitled thereto; or
- (b) request such holders to sell on the Conversion Date such Class A Series 1 Shares to another purchaser or purchasers in the event that a purchaser or purchasers willing to purchase all but not less than all of such Class A Series 1 Shares at a price equal to \$25.00 plus an amount equal to all declared and unpaid dividends to but excluding the Conversion Date is or are found by the Corporation and such holders shall sell such Class A Series 1 Shares at such price to such purchaser or purchasers ("Substitute Purchasers"), in which event the provisions of section 3.6 shall apply.

If less than all the Class A Series 1 Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder. The Class A Series 1 Shares so purchased or redeemed shall not be converted on the Conversion Date. In the event that for any reason the redemption or purchase provided for in this section is not effected in respect of a Class A Series 1 Share or Shares on the Conversion Date, the option of the Corporation in respect of such Class A Series 1 Share or Shares shall lapse and such Class A Series 1 Share or Shares shall be deemed to have been converted on the Conversion Date.

3.5 Avoidance of Fractional Shares

In any case where a fraction of a Common Share would otherwise be issuable on conversion of one or more Class A Series 1 Shares under this Article 3, the Corporation shall adjust such fractional interest by payment by cheque in an amount equal to the then market price of such fractional interest computed on the basis of the Weighted Price determined in respect of the relevant Conversion Date.

3.6 Manner of Purchase By A Substitute Purchaser

The Corporation shall receive and hold on behalf of the Substitute Purchaser the purchase price to be paid to the holder of a Class A Series 1 Share to be acquired by such Substitute Purchaser determined in accordance with the provisions of section 3.4. On the date on which the sale of such Class A Series 1 Shares to a Substitute Purchaser is to be effected, the Corporation shall, on presentation and delivery at the head office of the Corporation, the principal transfer office of the Transfer Agent in any of the cities of Toronto, Montréal, Vancouver, Calgary or Winnipeg or at such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Class A Series 1 Shares to be sold to the Substitute Purchaser, pay or cause to be paid to the holder of such Class A Series 1 Shares the purchase price for such shares received from the Substitute Purchaser on behalf of the Substitute Purchaser acquiring such shares. Such payment shall be made by cheque delivered to the holder of such Class A Series 1 Shares if the certificate or certificates representing the same is or are delivered to the Corporation and otherwise shall be mailed to such holder if such certificate or certificates are sent to the Corporation by mail and shall be a full and complete payment of the purchase price for the Class A Series 1 Shares to be sold by such holder to such Substitute Purchaser unless the cheque is not honoured when presented for payment. From and after the date on which the cheque is mailed in payment for such Class A Series 1 Shares, the Substitute Purchaser shall be treated by the Corporation as the registered holder of the Class A Series 1 Shares which have been sold to such Substitute Purchaser in accordance with the provisions of this Article 3.

3.7 Continuance of Conversion Right

In the event that the Corporation exercises its right pursuant to section 3.4(b) to require Class A Series 1 Shares tendered for conversion to be sold by the holder thereof to a Substitute Purchaser, such Class A Series 1 Shares shall continue to be convertible into Common Shares pursuant to section 3.1 after having been sold to a Substitute Purchaser notwithstanding their having been tendered for conversion by the previous holder thereof.

3.8 Entitlement of Substitute Purchasers to Declared and Unpaid Dividends

In the event that Class A Series 1 Shares are sold or deemed to have been sold to a Substitute Purchaser for a purchase price which includes the amount of any declared and unpaid dividends on such Class A Series 1 Shares in accordance with section 3.4, such Substitute Purchaser shall be treated by the Corporation as the holder of record of such Class A Series 1 Shares for the purpose of the payment of such previously declared and unpaid dividends from and after the date of the sale of such Class A Series 1 Shares to such Substitute Purchaser and the entitlement of the previous holder of such Class A Series 1 Shares who was required to sell such Class A Series 1 Shares to such Substitute Purchaser to such dividends shall be forever extinguished.

ARTICLE 4 VOTING RIGHTS

4.1 Voting Rights

Except as otherwise provided herein or in the conditions attaching to the Class A Preferred Shares as a class, the holders of Class A Series 1 Shares shall not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation. In the event that the Corporation fails to declare and pay the whole amount of the Quarterly Dividend for any Dividend Period on or before the applicable Dividend Payment Date, the holders of the Class A Series 1 Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation at which directors of the Corporation are to be elected the record date for notice of which occurs after such Dividend Payment Date (other than meetings at which only holders of another specified series or class of shares are entitled to vote) and such holders shall have the right at any such meeting to vote in the election of two directors in conjunction with the holders of any other series of preferred shares of the Corporation (other than the First Preferred Shares) which may have a similar right. Notwithstanding the provisions attaching to the Class A Preferred Shares as a class or to the Class A Series 1 Shares, if the lesser of the initial issue price, redemption amount or retraction amount per share of any other series of preferred shares of the Corporation (other than the First Preferred Shares) having a similar right is less than the Redemption Price of the Class A Series 1 Shares, the votes per Class A Series 1 Share shall be increased such that the Class A Series 1 Shares have the same number of votes per dollar amount of the Redemption Price as other series with the lowest initial issue price, redemption amount or retraction amount per share. The right to receive notice of, attend and vote at such meetings shall continue until such time as the Corporation declares and pays the whole amount of a Quarterly Dividend for a Dividend Period, after which payment such rights to receive notice of, attend and vote at such meetings shall forthwith expire. At such time as the Corporation may again fail to declare the whole amount of the Quarterly Dividend for any Dividend Period, such voting rights shall become effective again and so on from time to time.

ARTICLE 5 RESTRICTIONS ON DIVIDENDS AND RETIREMENT OF SHARES

5.1 Restrictions on Dividends and Retirement of Shares

So long as any of the Class A Series 1 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the outstanding Class A Series 1 Shares given in the manner hereinafter specified:

- (a) declare or pay or set apart for payment any dividends on the Second Preferred Shares, on the Common Shares or on shares of any other class of the Corporation

ranking junior to the Class A Series 1 Shares (other than stock dividends in shares of the Corporation ranking junior to the Class A Series 1 Shares);

- (b) except out of the net cash proceeds of an issue of shares ranking junior to the Class A Series 1 Shares, redeem or call for redemption or purchase for cancellation or otherwise retire or make any return of capital in respect of the Second Preferred Shares, Common Shares or shares of any other class of the Corporation ranking junior to the Class A Series 1 Shares;
- (c) redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of less than all of the Class A Series 1 Shares;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of the First Preferred Shares or any shares of any other class or series of the Corporation ranking *pari passu* with the Class A Series 1 Shares; or
- (e) except out of the net cash proceeds of an issue of shares ranking junior to the Class A Series 1 Shares, or except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of any shares of any other class or series of the Corporation ranking prior to the Class A Series 1 Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption, purchase or reduction or retirement of capital, as the case may be, all cumulative dividends then accrued and unpaid up to and including the most recent applicable dividend payment date for the last completed period for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative Class A Preferred Shares, if any, then issued and outstanding and on all other cumulative shares, if any, ranking *pari passu* with the Class A Preferred Shares and the dividends for the immediately preceding dividend payment period in respect of each series of non-cumulative Class A Preferred Shares (including the Class A Series 1 Shares) then issued and outstanding and on all other non-cumulative shares ranking prior to or *pari passu* with the Class A Series 1 Shares shall have been declared and paid or monies set aside for payment thereof.

**ARTICLE 6
ISSUE PRICE**

6.1 Issue Price

The price or consideration for which each Class A Series 1 Share shall be issued is \$25.00 and, upon payment of such price, each such share shall be issued as fully paid and non-assessable.

**ARTICLE 7
ELECTION UNDER THE *INCOME TAX ACT* (CANADA)**

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

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

**ARTICLE 8
NOTICES AND INTERPRETATION**

8.1 Notices

Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Class A Series 1 Shares at their respective addresses appearing on the books of the Corporation or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Class A Series 1 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 Class A Series 1 Shares pursuant to this section 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 his new address.

8.2 Interpretation

In the event that any day on which any dividend on the Class A Series 1 Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the next succeeding day that is a business day. A "business day" means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office.

All references herein to a holder of Class A Series 1 Shares shall be interpreted as referring to a registered holder of the Class A Series 1 Shares.

For the purposes hereof, the "Common Shares" of the Corporation shall mean such common shares as currently constituted and any shares resulting from a reclassification of the common shares of the Corporation or which result from a capital reorganization of the Corporation or a consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a capital reorganization, consolidation, amalgamation or merger which does not result in any reclassification of the common shares or a change of the common shares into other shares or securities).

ARTICLE 9 MODIFICATION

9.1 Modification

The provisions attaching to the Class A Series 1 Shares may be deleted, varied, modified, amended or amplified with the prior approval of the holders of Class A Series 1 Shares given in accordance with Article 10 and with all required approvals of any stock exchanges on which the Class A Series 1 Shares may be listed.

**ARTICLE 10
APPROVAL OF CLASS A SERIES 1 SHAREHOLDERS**

10.1 Approval of Class A Series 1 Shareholders

Any approval required or permitted to be given by the holders of the Class A Series 1 Shares with respect to any and all matters referred to herein shall be deemed to have been sufficiently given by the holders of the Class A Series 1 Shares if given in the manner provided in section 3.4 of the provisions attaching to the Class A Preferred Shares as a class, which provisions shall apply, *mutatis mutandis*, as though the term "Class A Series 1 Shares" was used in such section in place of the term "Class A Preferred Shares" and as though the Class A Series 1 Shares were a class of shares, provided that the quorum for any meeting of holders of Class A Series 1 Shares (other than an adjourned meeting) shall be shareholders represented in person or by proxy holding a majority of the outstanding Class A Series 1 Shares. If at any meeting of holders of the Class A Series 1 Shares the quorum is 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 of the Class A Series 1 Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes cast at such meeting shall constitute the approval of the holders of the Class A Series 1 Shares.

**ARTICLE 11
RIGHTS ON LIQUIDATION**

11.1 Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Class A Series 1 Shares shall be entitled to receive an amount equal to \$25.00 per Class A Series 1 Share, together with all dividends declared and unpaid to and including the date of payment, before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares, Second Preferred Shares or shares of any other class of the Corporation ranking junior to the Class A Series 1 Shares. Upon payment to the holders of the Class A 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.