



## Certificate of Amalgamation

*Canada Business Corporations Act*

## Certificat de fusion

*Loi canadienne sur les sociétés par actions*

AltaGas Ltd.

Corporate name / Dénomination sociale

1181852-0

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.

Raymond Edwards

Director / Directeur

2020-01-01

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



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

**1 - Corporate name of the amalgamated corporation**

AltaGas Ltd.

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

Alberta

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

Refer to the attached Schedule 1

**4 - Restrictions, if any, on share transfers**

There shall be no restrictions on share transfers.

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

Minimum number  Maximum number

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

There shall be no restrictions on the business that the Corporation may carry on.

**7 - Other provisions, if any**

Refer to the attached Schedule 2

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

<input type="checkbox"/> 183 - Long form: approved by special resolution of shareholders	<input checked="" type="checkbox"/> 184(1) - Vertical short-form: approved by resolution of directors	<input type="checkbox"/> 184(2) - Horizontal short-form: approved by resolution of directors
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**9 - Declaration**

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

Name of the amalgamating corporation	Corporation number	Signature
AltaGas Ltd.	750188 - 9	<i>[Signature]</i>
AltaGas Investment Ltd.	1180182 - 1	<i>[Signature]</i>
<u>1180137</u> Canada Ltd.	1180137 - 6	<i>[Signature]</i>
Northwest Triumph Contracting Ltd.	875230 - 3	<i>[Signature]</i>

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).

**SCHEDULE 1**  
**Attached to and Forming Part of**  
**the Articles of AltaGas Ltd.**

**THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:**

The authorized capital of the Corporation shall consist of an unlimited number of Common Shares and up to such number of Preferred Shares issuable in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50% of the voting rights attaching to the then issued and outstanding Common Shares. The rights, privileges, restrictions and conditions attached to the Common Shares and the Preferred Shares of the Corporation shall be as follows:

**A. COMMON SHARES**

The unlimited number of Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 1.1 The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a Class or series of shares of the Corporation other than the Common Shares as such).
- 1.2 The holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends.
- 1.3 The holders of Common Shares shall be entitled in the event of any 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, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other Class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

**B. PREFERRED SHARES**

The up to such number of Preferred Shares issuable in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50% of the voting rights attaching to the then issued and outstanding Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 1.4 The Preferred 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 Board of Directors of the Corporation shall, by resolution, fix the maximum number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights (if any), and whether into or for securities of the Corporation or otherwise, voting rights attached thereto (if any), the terms and conditions of

any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Director (as defined in the *Canada Business Corporations Act* or successor legislation thereto) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

- 1.5 Notwithstanding paragraph 1.4, the Board of Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Preferred Shares.
- 1.6 The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Preferred Shares shall be entitled to a preference over the Common Shares and over any other shares of the Corporation ranking junior to the Preferred Shares with respect to priority in the payment of dividends and in the 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 the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Preferred 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 Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 1.4 and 1.8 hereof over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined in the case of each such series of Preferred Shares.
- 1.7 The rights, privileges, restrictions and conditions attaching to the Preferred Shares as a Class may be added to, changed or removed but only with the approval of the holders of the Preferred Shares given as herein specified.
- 1.8 The rights, privileges, restrictions and conditions attaching to the Preferred Shares as a Class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution in writing executed by all holders of the Preferred Shares entitled to vote on that resolution or passed by the affirmative vote of a least two-thirds of the votes cast at a meeting of holders of Preferred Shares duly called for such purpose and held upon at least 21 days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least 20% per cent of the outstanding Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Preferred Share shall be entitled to one vote in respect of each one dollar of stated value of Preferred Shares held.

The **first series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series A (the "**Series A Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series A Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series A Shares shall be as follows:

1. Interpretation

(a) In these Series A Share provisions, the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 2.66%;

(ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;

(iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;

(iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(vi) "**Book-Entry Shares**" means the Series A Shares held through the Book-Based System;

(vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(ix) "**Common Shares**" means the common shares of the Corporation;

(x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series A Shares;

(xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing December 31, 2010;

(xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

(xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 2.66%;

(xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;

(xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a 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;

(xvii) **"Initial Fixed Rate Period"** means the period from and including the date of issue of the Series A Shares to, but excluding, September 30, 2015;

(xviii) **"Liquidation"** means 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;

(xix) **"Participants"** means the participants in the Book-Based System;

(xx) **"Preferred Shares"** means the preferred shares of the Corporation;

(xxi) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xxii) **"Quarter"** means a three month period ending on a Dividend Payment Date;

(xxiii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing September 30, 2015;

(xxiv) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;

(xxv) **"Series A Conversion Date"** means September 30, 2015, and September 30 in every fifth year thereafter;

(xxvi) **"Series B Shares"** means the Cumulative Redeemable Floating Rate Preferred Shares, Series B of the Corporation;

(xxvii) **"Subsequent Fixed Rate Period"** means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2015 to, but excluding, September 30, 2020, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;

(xxviii) **"System Operator"** means CDS or its nominee or any successor thereof; and

(xxix) **"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other

page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).

(b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

(c) If any day 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 is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

(a) During the Initial Fixed Rate Period, the holders of the Series A Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.25 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on December 31, 2010, and, notwithstanding the foregoing, shall be in the amount per share determined by multiplying \$1.25 by the number of days in the period from and including the date of issue of the Series A Shares to, but excluding, December 31, 2010, and dividing that product by 365, being the amount of \$0.4589 per Series A Share.

(b) During each Subsequent Fixed Rate Period, the holders of the Series A Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00.

(c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series A Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series A Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series A Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series A Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

(f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be



deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(g) The holders of the Series A Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series A Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series A Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series A Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series A Shares so tendered by each of the holders of Series A Shares who submit tenders at that price. From and after the date of purchase of any Series A Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

(a) The Series A Shares shall not be redeemable prior to September 30, 2015. Subject to the provisions of paragraph 9, on September 30, 2015, and on September 30 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series A Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "redemption amount") plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series A Share is \$25.00.

(b) In any case of redemption of Series A Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series A Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series A Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series A Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 A Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series A Shares called for redemption, subject to the provisions of



paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series A Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series A Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series A Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such 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 then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series A Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

#### 5. Conversion into Series B Shares

(a) The Series A Shares shall not be convertible prior to September 30, 2015. Holders of Series A Shares shall have the right to convert on each Series A Conversion Date, subject to the provisions hereof, all or any of their Series A Shares into Series B Shares on the basis of one Series B Share for each Series A Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series A Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series A Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series A Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series A Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series A Shares of the Annual Fixed Dividend Rate for the Series A Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series B Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).

(b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series A Shares of the redemption of all of the Series A Shares, then the right of a holder of Series A Shares to convert such Series A Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.

(c) Holders of Series A Shares shall not be entitled to convert their shares into Series B Shares if the Corporation determines that there would remain outstanding on a Series A Conversion Date less than 1,000,000 Series B Shares, after having taken into account all Series A Shares tendered for conversion into Series B Shares and all Series B Shares tendered for conversion into Series A Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series A Shares at least seven days prior to the applicable Series A Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series A Conversion Date, at the expense of the Corporation, to such holders of Series A Shares who have surrendered for

conversion any certificate or certificates representing Series A Shares, certificates representing the Series A Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series A Conversion Date less than 1,000,000 Series A Shares, after having taken into account all Series A Shares tendered for conversion into Series B Shares and all Series B Shares tendered for conversion into Series A Shares, then all of the remaining outstanding Series A Shares shall be converted automatically into Series B Shares on the basis of one Series B Share for each Series A Share on the applicable Series A Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series A Shares at least seven days prior to the Series A Conversion Date.

(e) The conversion right may be exercised by a holder of Series A Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series A Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series A Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series A Conversion Date. The Series A Conversion Notice shall indicate the number of Series A Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series B Shares are in the Book-Based System, if the Series B Shares are to be registered in a name or names different from the name or names of the registered holder of the Series A Shares to be converted, the Series A Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series B Shares in some other name or names (the "**Series B Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series B Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series B Transferee to hold such Series B Shares.

(f) If all remaining outstanding Series A Shares are to be converted into Series B Shares on the applicable Series A Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series A Shares that holders have not previously elected to convert shall be converted on the Series A Conversion Date into Series B Shares and the holders thereof shall be deemed to be holders of Series B Shares at 5:00 p.m. (Toronto time) on the Series A Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series A Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series B Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.

(g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series A Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series B Shares registered in the name of the holders of the Series A Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series A Shares of the certificate or certificates for the Series A Shares to be converted. If only a part of such Series A Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series A Conversion Notice, the Series A Shares converted into Series B Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series A Shares to be converted share certificates representing the Series B Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series B Shares upon conversion of any Series A Shares shall be deferred during the continuance of any one or more of the following events:

- (i) the issuing of such Series B Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
- (ii) the issuing of such Series B Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
- (iii) for any reason beyond its control, the Corporation is unable to issue Series B Shares or is unable to deliver Series B Shares.

(i) The Corporation reserves the right not to deliver Series B Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series B Shares, and the Corporation shall attempt to sell such Series B Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series B Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series B Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

#### 6. Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series A Shares shall be entitled to receive \$25.00 per Series A Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series A Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series A Shares in any respect. After payment to the holders of the Series A Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### 7. Voting Rights

The holders of Series A Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series A 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 dividends on the Series A Shares, 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 such dividends. In the event of such non-payment, the holders of Series A Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series A Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series A Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series A Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series A Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series A Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series A Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series A Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series A Shares are outstanding, the Corporation shall not:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series A Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series A Shares with respect to payment of dividends; or

(b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series A Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series A Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series A Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series A Shares without the prior approval of the holders of the Series A Shares given as specified in paragraph 11, nor shall the number of Series A Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series A Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series A Shares

The approval of the holders of the Series A Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series A Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series A Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series A Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series A Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting that holders of Series A Shares present in person or so represented by proxy, whether or not they hold a majority of all Series A Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series A Shares. Notice of any such original meeting of the holders of the Series A Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in

such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series A Shares present in person or represented by proxy shall be entitled to one vote for each of the Series A Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series A Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series A Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series A Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series A Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series A Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series A Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series A Shares:

- (i) the System Operator shall be considered the sole owner of the Series A Shares for the purposes of receiving notices or payments on or in respect of the Series A Shares or the delivery of Series B Shares and certificates therefor upon the exercise of rights of conversion; and
- (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series A Shares, the cash redemption price for the Series A Shares or certificates for Series B Shares against delivery to the Corporation's account with the System Operator of such holders' Series A Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series A Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series A Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series A Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series A Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

#### 15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series A Shares, the Corporation may, at its option, make any payment due to registered holders of Series A Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series A Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series A Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series A Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

#### 16. Amendments

The provisions attaching to the Series A Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series A Shares may be listed.

The **second series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series B (the "**Series B Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series B Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series B Shares shall be as follows:

1. Interpretation

(a) In these Series B Share provisions, the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 2.66%;

(ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;

(iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;

(iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(vi) "**Book-Entry Shares**" means the Series B Shares held through the Book-Based System;

(vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(ix) "**Common Shares**" means the common shares of the Corporation;

(x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series B Shares;

(xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing December 31, 2010;

(xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

(xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of Interest (expressed as a percentage rounded 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 and 2.66%;

(xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;

(xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;



(xvi) "**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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a 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;

(xvii) "**Liquidation**" means 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;

(xviii) "**Participants**" means the participants in the Book-Based System;

(xix) "**Preferred Shares**" means the preferred shares of the Corporation;

(xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xxi) "**Quarter**" means a three month period ending on a Dividend Payment Date;

(xxii) "**Quarterly Commencement Date**" means the last day of March, June, September and December in each year, commencing September 30, 2015;

(xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;

(xxiv) "**Series A Shares**" means the Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series A of the Corporation;

(xxv) "**Series B Conversion Date**" means September 30, 2020, and September 30 in every fifth year thereafter;

(xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2015 to, but excluding, September 30, 2020, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;

(xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and

(xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).

(b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

(c) If any day 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 is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

(a) During each Quarterly Floating Rate Period, the holders of the Series B Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series B Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series B Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series B Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series B Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

(e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be Issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(f) The holders of the Series B Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series B Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series B Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series B Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series B Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series B Shares so tendered by each of the holders of Series B Shares who submit tenders at that price. From and after the date of purchase of any Series B Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

(a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series B Shares by the payment of an amount in cash for each share to be redeemed equal to:

- (i) \$25.00 in the case of a redemption on a Series B Conversion Date, or
- (ii) \$25.50 in the case of a redemption on any other date after September 30, 2015 that is not a Series B Conversion Date,

(such amount being the "redemption amount") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series B Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series B Share is \$25.00.

(b) In any case of redemption of Series B Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series B Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series B Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series B Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 B Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such

notice of the certificates for the Series B Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series B Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series B Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series B Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such 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 then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series B Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series A Shares

(a) The Series B Shares shall not be convertible prior to September 30, 2020. Holders of Series B Shares shall have the right to convert on each Series B Conversion Date, subject to the provisions hereof, all or any of their Series B Shares into Series A Shares on the basis of one Series A Share for each Series B Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series B Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series B Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series B Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series B Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series B Shares of the Annual Fixed Dividend Rate for the Series A Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series B Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

(b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series B Shares of the redemption of all of the Series B Shares, then the right of a holder of Series B Shares to convert such Series B Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.

(c) Holders of Series B Shares shall not be entitled to convert their shares into Series A Shares if the Corporation determines that there would remain outstanding on a Series B Conversion Date less than 1,000,000 Series A Shares, after having taken into account all Series B Shares tendered for conversion into Series A Shares and all Series A Shares tendered for conversion into Series B Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series B Shares at least seven days prior to the applicable Series B Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series B Conversion

Date, at the expense of the Corporation, to such holders of Series B Shares who have surrendered for conversion any certificate or certificates representing Series B Shares, certificates representing the Series B Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series B Conversion Date less than 1,000,000 Series B Shares, after having taken into account all Series B Shares tendered for conversion into Series A Shares and all Series A Shares tendered for conversion into Series B Shares, then all of the remaining outstanding Series B Shares shall be converted automatically into Series A Shares on the basis of one Series A Share for each Series B Share on the applicable Series B Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series B Shares at least seven days prior to the Series B Conversion Date.

(e) The conversion right may be exercised by a holder of Series B Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series B Conversion Notice**"), Which notice must be received by the transfer agent and registrar for the Series B Shares at the principal office in Toronto or Calgary, of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series B Conversion Date. The Series B Conversion Notice shall indicate the number of Series B Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series A Shares are in the Book-Based System, if the Series A Shares are to be registered in a name or names different from the name or names of the registered holder of the Series B Shares to be converted, the Series B Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series A Shares in some other name or names (the "**Series B Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series B Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series B Transferee to hold such Series A Shares.

(f) If all remaining outstanding Series B Shares are to be converted into Series A Shares on the applicable Series B Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series B Shares that holders have not previously elected to convert shall be converted on the Series B Conversion Date into Series A Shares and the holders thereof shall be deemed to be holders of Series A Shares at 5:00 p.m. (Toronto time) on the Series B Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series B Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series A Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.

(g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series B Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series A Shares registered in the name of the holders of the Series B Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series B Shares of the certificate or certificates for the Series B Shares to be converted. If only a part of such Series B Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series B Conversion Notice, the Series B Shares converted into Series A Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series B Shares to be converted share certificates representing the Series A Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series A Shares upon conversion of any Series B Shares shall be deferred during the continuance of any one or more of the following events:

- (i) the issuing of such Series A Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
- (ii) the issuing of such Series A Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
- (iii) for any reason beyond its control, the Corporation is unable to issue Series A Shares or is unable to deliver Series A Shares.

(i) The Corporation reserves the right not to deliver Series A Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series A Shares, and the Corporation shall attempt to sell such Series A Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series A Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series A Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

#### 6. Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series B Shares shall be entitled to receive \$25.00 per Series B Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series B Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series B Shares in any respect. After payment to the holders of the Series B Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### 7. Voting Rights

The holders of Series B Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series B 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 dividends on the Series B Shares, 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 such dividends. In the event of such non-payment, the holders of Series B Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series B Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series B Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series B Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series B Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series B Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series B Shares and all other preferred shares then outstanding ranking prior to or on parity with the Series B Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series B Shares are outstanding the Corporation shall not:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series B Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series B Shares with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series B Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series B Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series B Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series B Shares without the prior approval of the holders of the Series B Shares given as specified in paragraph 11, nor shall the number of Series B Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series B Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series B Shares

The approval of the holders of the Series B Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series B Shares outstanding or by resolution duly passed and carried by not less than two thirds of the votes cast on a poll at a meeting of the holders of the Series B Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series B Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series B Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series B Shares present in person or so represented by proxy, whether or not they hold a majority of all Series B Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series B Shares. Notice of any such original meeting of the holders of the Series B Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in



such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series B Shares present in person or represented by proxy shall be entitled to one vote for each of the Series B Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series B Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series B Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series B Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series B Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series B Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series B Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series B Shares:

(i) the System Operator shall be considered the sole owner of the Series B Shares for the purposes of receiving notices or payments on or in respect of the Series B Shares or the delivery of Series A Shares and certificates therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series B Shares, the cash redemption price for the Series B Shares or certificates for Series A Shares against delivery to the Corporation's account with the System Operator of such holders' Series B Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series B Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series B Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series B Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series B Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

#### 15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series B Shares, the Corporation may, at its option, make any payment due to registered holders of Series B Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series B Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series B Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series B Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

#### 16. Amendments

The provisions attaching to the Series B Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series B Shares may be listed.

The **third series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series C (the "**Series C Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series C Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series C Shares shall be as follows:

1. Interpretation

(a) In these Series C Share provisions, the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the United States Government Bond Yield on the applicable Fixed Rate Calculation Date and 3.58%;

(ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;

(iii) "**Bloomberg Screen USGG5YR Page**" means the display designated as page on Bloomberg (or such other page as may replace the USGG5YR page on that service) for purposes of displaying United States government bond yields;

(iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(vi) "**Book-Entry Shares**" means the Series C Shares held through the Book-Based System;

(vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(ix) "**Common Shares**" means the common shares of the Corporation;

(x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series C Shares;

(xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing October 1, 2012;

(xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

(xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.58%;

(xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;

(xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(xvi) “**Initial Fixed Rate Period**” means the period from and including the date of issue of the Series C Shares to, but excluding, September 30, 2017;

(xvii) “**Liquidation**” means 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;

(xviii) “**Participants**” means the participants in the Book-Based System;

(xix) “**Preferred Shares**” means the preferred shares of the Corporation;

(xx) “**Pro Rated Dividend**” means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xxi) “**Quarter**” means a three month period ending on a Dividend Payment Date;

(xxii) “**Quarterly Commencement Date**” means the last day of March, June, September and December in each year, commencing September 30, 2017;

(xxiii) “**Quarterly Floating Rate Period**” means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;

(xxiv) “**Series C Conversion Date**” means September 30, 2017, and September 30 in every fifth year thereafter;

(xxv) “**Series D Shares**” means the Cumulative Redeemable Floating Rate Preferred Shares, Series D of the Corporation;

(xxvi) “**Subsequent Fixed Rate Period**” means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2017 to, but excluding, September 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;

(xxvii) “**System Operator**” means CDS or its nominee or any successor thereof;

(xxviii) “**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three month United States Government treasury bills, as reported by the United States treasury, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date as quoted on the Bloomberg page “USB3MYD<INDEX>”; and

(xxix) “**United States Government Bond Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a United States dollar denominated non-callable United States treasury bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen USGG5YR Page on such date; provided that if such rate does not appear on the Bloomberg Screen USGG5YR Page on such date, then the United States Government Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable United States government bond would carry if issued, in United States dollars, at 100% of its principal amount on such date with a term to maturity of five years.

(b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

(c) If any day 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 is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

(a) During the Initial Fixed Rate Period, the holders of the Series C Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of US\$1.10 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted or withheld by the Corporation). The first dividend, if declared, shall be payable on October 1, 2012 in the amount of US\$0.3473 per Series C Share.

(b) During each Subsequent Fixed Rate Period, the holders of the Series C Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by US\$25.00 (less any tax required to be deducted or withheld by the Corporation).

(c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series C Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series C Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series C Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series C Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

(f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(g) The holders of the Series C Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series C Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series C Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series C Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series C Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series C Shares so tendered by each of the holders of Series C Shares who submit tenders at that price. From and after the date of purchase of any Series C Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

(a) The Series C Shares shall not be redeemable prior to September 30, 2017. Subject to the provisions of paragraph 9, on September 30, 2017, and on September 30 in every fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series C Shares by the payment of an amount in cash for each share to be redeemed equal to US\$25.00 (such amount being the "redemption amount") plus all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series C Share is US\$25.00.

(b) In any case of redemption of Series C Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series C Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series C Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series C Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 C Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series C Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series C Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series C Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of

the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series C Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such 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 then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series C Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

#### 5. Conversion into Series D Shares

(a) The Series C Shares shall not be convertible prior to September 30, 2017. Holders of Series C Shares shall have the right to convert on each Series C Conversion Date, subject to the provisions hereof, all or any of their Series C Shares into Series D Shares on the basis of one Series D Share for each Series C Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series C Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series C Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series C Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series C Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series C Shares of the Annual Fixed Dividend Rate for the Series C Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series D Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).

(b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series C Shares of the redemption of all of the Series C Shares, then the right of a holder of Series C Shares to convert such Series C Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.

(c) Holders of Series C Shares shall not be entitled to convert their shares into Series D Shares if the Corporation determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series D Shares, after having taken into account all Series C Shares tendered for conversion into Series D Shares and all Series D Shares tendered for conversion into Series C Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series C Shares at least seven days prior to the applicable Series C Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series C Conversion Date, at the expense of the Corporation, to such holders of Series C Shares who have surrendered for conversion any certificate or certificates representing Series C Shares, certificates representing the Series C Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series C Conversion Date less than 1,000,000 Series C Shares, after having taken into account all Series C Shares tendered for conversion into Series D Shares and all Series D Shares tendered for conversion into Series C Shares,



then all of the remaining outstanding Series C Shares shall be converted automatically into Series D Shares on the basis of one Series D Share for each Series C Share on the applicable Series C Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series C Shares at least seven days prior to the Series C Conversion Date.

(e) The conversion right may be exercised by a holder of Series C Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series C Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series C Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series C Conversion Date. The Series C Conversion Notice shall indicate the number of Series C Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series D Shares are in the Book-Based System, if the Series D Shares are to be registered in a name or names different from the name or names of the registered holder of the Series C Shares to be converted, the Series C Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series D Shares in some other name or names (the "**Series D Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series D Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series D Transferee to hold such Series D Shares.

(f) If all remaining outstanding Series C Shares are to be converted into Series D Shares on the applicable Series C Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series C Shares that holders have not previously elected to convert shall be converted on the Series C Conversion Date into Series D Shares and the holders thereof shall be deemed to be holders of Series D Shares at 5:00 p.m. (Toronto time) on the Series C Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series C Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series D Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.

(g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series C Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series D Shares registered in the name of the holders of the Series C Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series C Shares of the certificate or certificates for the Series C Shares to be converted. If only a part of such Series C Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series C Conversion Notice, the Series C Shares converted into Series D Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series C Shares to be converted share certificates representing the Series D Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series D Shares upon conversion of any Series C Shares shall be deferred during the continuance of any one or more of the following events:

(i) the issuing of such Series D Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;

(ii) issuing of such Series D Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or

(iii) for any reason beyond its control, the Corporation is unable to issue Series D Shares or is unable to deliver Series D Shares.

(i) The Corporation reserves the right not to deliver Series D Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series D Shares, and the Corporation shall attempt to sell such Series D Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series D Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series D Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

#### 6. Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series C Shares shall be entitled to receive US\$25.00 per Series C Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series C Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series C Shares in any respect. After payment to the holders of the Series C Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

#### 7. Voting Rights

The holders of Series C Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series C 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 dividends on the Series C Shares, 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 such dividends. In the event of such non-payment, the holders of Series C Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series C Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series C Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series C Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series C Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

#### 8. Restrictions on Partial Redemption or Purchase

So long as any of the Series C Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series C Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series C Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend

payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reductions of Junior Capital

So long as any of the Series C Shares are outstanding, the Corporation shall not:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series C Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series C Shares with respect to payment of dividends; or

(b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series C Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series C Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series C Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series C Shares without the prior approval of the holders of the Series C Shares given as specified in paragraph 11, nor shall the number of Series C Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series C Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series C Shares

The approval of the holders of the Series C Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series C Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series C Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series C Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation: provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series C Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series C Shares present in person or so represented by proxy, whether or not they hold a majority of all Series C Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series C Shares. Notice of any such original meeting of the holders of the Series C Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series C Shares present in person or represented by proxy shall be entitled to one vote for each of the Series C Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series C Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series C Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series C Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series C Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series C Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series C Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series C Shares:

(i) the System Operator shall be considered the sole owner of the Series C Shares for the purposes of receiving notices or payments on or in respect of the Series C Shares or the delivery of Series D Shares and certificates therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series C

Shares, the cash redemption price for the Series C Shares or certificates for Series D Shares against delivery to the Corporation's account with the System Operator of such holders' Series C Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series C Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series C Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series C Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series C Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

#### 15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series C Shares, the Corporation may, at its option, make any payment due to registered holders of Series C Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series C Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series C Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series C Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

#### 16. Amendments

The provisions attaching to the Series C Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series C Shares may be listed.

The **fourth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series D (the "**Series D Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series D Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series D Shares shall be as follows:

1. Interpretation

(a) In these Series D Share provisions the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the United States Government Bond Yield on the applicable Fixed Rate Calculation Date and 3.58%;

(ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;

(iii) "**Bloomberg Screen USGG5YR Page**" means the display designated as page "USGG5YR<INDEX>" on Bloomberg (or such other page as may replace the USGG5YR page on that service) for purposes of displaying United States government bond yields;

(iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(vi) "**Book-Entry Shares**" means the Series D Shares held through the Book-Based System;

(vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(ix) "**Common Shares**" means the common shares of the Corporation;

(x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series D Shares;

(xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing October 1, 2012;

(xii) "**Fixed Rate Calculation Data**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

(xiii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.58%;

(xiv) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;

(xv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(xvi) **"Liquidation"** means 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;

(xvii) **"Participants"** means the participants in the Book-Based System;

(xviii) **"Preferred Shares"** means the preferred shares of the Corporation;

(xix) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xx) **"Quarter"** means a three month period ending on a Dividend Payment Date;

(xxi) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing September 30, 2017;

(xxii) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;

(xxiii) **"Series C Shares"** means the Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series C of the Corporation;

(xxiv) **"Series D Conversion Date"** means September 30, 2022 and September 30 in every fifth year thereafter;

(xxv) **"Subsequent Fixed Rate Period"** means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2017 to, but excluding, September 30, 2022, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;

(xxvi) **"System Operator"** means CDS or its nominee or any successor thereof;

(xxvii) **"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three month United States Government treasury bills, as reported by the United States Treasury, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date as quoted on the Bloomberg page "USB3MYD<INDEX>"; and

(xxviii) **"United States Government Bond Yield"** on any date means the yield to maturity on such date (assuming semi-annual compounding) of a United States dollar denominated non-callable United States treasury bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen USGG5YR Page on such date; provided that if such rate does not appear on the Bloomberg Screen USGG5YR Page on such date, then the United States Government Bond Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable United States Government bond would carry if issued, in United States dollars, at 100% of its principal amount on such date with a term to maturity of five years.



(b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.

(c) If any day 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 is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

(a) During each Quarterly Floating Rate Period, the holders of the Series D Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by US\$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series D Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series D Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series D Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series D Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.

(e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.

(f) The holders of the Series D Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series D Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series D Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series D Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series D Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series D Shares so tendered by each of the holders of Series D Shares who submit tenders at that price. From and after the date of purchase of any Series D Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

(a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series D Shares by the payment of an amount in cash for each share to be redeemed equal to:

- (i) US\$25.00 in the case of a redemption on a Series D Conversion Date, or
- (ii) US\$25.50 in the case of a redemption on any other date after September 30, 2017 that is not a Series D Conversion Date,

(such amount being the "redemption amount") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series D Shares have been paid to but excluding the date fixed for redemption (the whole constituting the "cash redemption price"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series D Share is US\$25.00.

(b) In any case of redemption of Series D Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series D Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series D Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holders address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series D Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 D Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such

notice of the certificates for the Series D Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series D Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series D Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series D Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such 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 then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series D Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

#### 5. Conversion into Series C Shares

(a) The Series D Shares shall not be convertible prior to September 30, 2022. Holders of Series D Shares shall have the right to convert on each Series D Conversion Date, subject to the provisions hereof, all or any of their Series D Shares into Series C Shares on the basis of one Series C Share for each Series D Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series D Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series D Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series D Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series D Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series D Shares of the Annual Fixed Dividend Rate for the Series C Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series D Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

(b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series D Shares of the redemption of all of the Series D Shares, then the right of a holder of Series D Shares to convert such Series D Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.

(c) Holders of Series D Shares shall not be entitled to convert their shares into Series C Shares if the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series C Shares, after having taken into account all Series D Shares tendered for conversion into Series C Shares and all Series C Shares tendered for conversion into Series D Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series D Shares at least seven days prior to the applicable Series D Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series D Conversion

Date, at the expense of the Corporation, to such holders of Series D Shares who have surrendered for conversion any certificate or certificates representing Series D Shares, certificates representing the Series D Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series D Conversion Date less than 1,000,000 Series D Shares, after having taken into account all Series D Shares tendered for conversion into Series C Shares and all Series C Shares tendered for conversion into Series D Shares, then all of the remaining outstanding Series D Shares shall be converted automatically into Series C Shares on the basis of one Series C Share for each Series D Share on the applicable Series D Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series D Shares at least seven days prior to the Series D Conversion Date.

(e) The conversion right may be exercised by a holder of Series D Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series D Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series D Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series D Conversion Date. The Series D Conversion Notice shall indicate the number of Series D Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series C Shares are in the Book-Based System, if the Series C Shares are to be registered in a name or names different from the name or names of the registered holder of the Series D Shares to be converted, the Series D Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series C Shares in some other name or names (the "**Series D Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series D Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series D Transferee to hold such Series C Shares.

(f) If all remaining outstanding Series D Shares are to be converted into Series C Shares on the applicable Series D Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series D Shares that holders have not previously elected to convert shall be converted on the Series D Conversion Date into Series C Shares and the holders thereof shall be deemed to be holders of Series C Shares at 5:00 p.m. (Toronto time) on the Series D Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series D Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series C Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.

(g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series D Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series C Shares registered in the name of the holders of the Series D Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series D Shares of the certificate or certificates for the Series D Shares to be converted. If only a part of such Series D Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series D Conversion Notice, the Series D Shares converted into Series C Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series D Shares to be converted share certificates representing the Series C Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series C Shares upon conversion of any Series D Shares shall be deferred during the continuance of any one or more of the following events:

(i) the issuing of such Series C Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;

(ii) the issuing of such Series C Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or

(iii) for any reason beyond its control, the Corporation is unable to issue Series C Shares or is unable to deliver Series C Shares.

(i) The Corporation reserves the right not to deliver Series C Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series C Shares, and the Corporation shall attempt to sell such Series C Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series C Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series C Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

## 6. Liquidation, Dissolution or Winding up

In the event of a Liquidation, the holders of the Series D Shares shall be entitled to receive US\$25.00 per Series D Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series D Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series D Shares in any respect. After payment to the holders of the Series D Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

## 7. Voting Rights

The holders of Series D Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series D 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 dividends on the Series D Shares, 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 such dividends. In the event of such non-payment, the holders of Series D Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series D Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series D Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series D Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series D Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series D Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series D Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series D Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series D Shares are outstanding the Corporation shall not:

(a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series D Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series D Shares with respect to payment of dividends, or

(b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series D Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series D Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series D Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series D Shares without the prior approval of the holders of the Series D Shares given as specified in paragraph 11, nor shall the number of Series D Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series D Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series D Shares

The approval of the holders of the Series D Shares with respect to any and all matters referred to in these share provisions may be given in by all of the holders of the Series D Shares outstanding or by resolution duly passed and carried by not less than two thirds of the votes cast on a poll at a meeting of the holders of the Series D Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series D Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series D Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series D Shares present in person or so represented by proxy, whether or not they hold a majority of all Series D Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series D Shares. Notice of any such original meeting of the holders of the Series D Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in

such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series D Shares present in person or represented by proxy shall be entitled to one vote for each of the Series D Shares held by such holder.

#### 12. Tax Election

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

#### 13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment distribution, issuance or delivery made to a holder of Series D Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series D Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

#### 14. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series D Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series D Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series D Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series D Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series D Shares:

(i) the System Operator shall be considered the sole owner of the Series D Shares for the purposes of receiving notices or payments on or in respect of the Series D Shares or the delivery of Series C Shares and certificates therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series D Shares, the cash redemption price for the Series D Shares or certificates for Series C Shares against delivery to the Corporation's account with the System Operator of such holders' Series D Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series D Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series D Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series D Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series D Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

#### 15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series D Shares, the Corporation may, at its option, make any payment due to registered holders of Series D Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series D Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series D Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series D Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

#### 16. Amendments

The provisions attaching to the Series D Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 1 and with any required approvals of any stock exchanges on which the Series D Shares may be listed.



The **fifth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series E (the "**Series E Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series E Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series E Shares shall be as follows:

1. Interpretation

- (a) In these Series E Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.17%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series E Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series E Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing March 31, 2014;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.17%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Initial Fixed Rate Period"** means the period from and including the date of issue of the Series E Shares to, but excluding, December 31, 2018;
- (xviii) **"Liquidation"** means 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;
- (xix) **"Participants"** means the participants in the Book-Based System;
- (xx) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xxi) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxii) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxiii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing December 31, 2018;
- (xxiv) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxv) **"Series E Conversion Date"** means December 31, 2018, and December 31 in every fifth year thereafter;

- (xxvi) “**Series F Shares**” means the Cumulative Redeemable Floating Rate Preferred Shares, Series F of the Corporation;
  - (xxvii) “**Subsequent Fixed Rate Period**” means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2018 to, but excluding, December 31, 2023, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, December 31 in the fifth year thereafter;
  - (xxviii) “**System Operator**” means CDS or its nominee or any successor thereof; and
  - (xxix) “**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page “CA3MAY<INDEX>” (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions “on parity with”, “ranking prior to”, “ranking junior to” and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day 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 is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series E Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.25 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted or withheld by the Corporation). The first dividend, if declared, shall be payable on March 31, 2014 in the amount of \$0.3699 per Series E Share.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series E Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00 (less any tax required to be deducted or withheld by the Corporation).
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series E Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series E Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder

of Series E Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series E Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series E Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series E Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series E Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series E Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series E Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series E Shares so tendered by each of the holders of Series E Shares who submit tenders at that price. From and after the date of purchase of any Series E Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) The Series E Shares shall not be redeemable prior to December 31, 2018. Subject to the provisions of paragraph 9, on December 31, 2018, and on December 31 in every fifth

year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series E Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series E Share is \$25.00.

- (b) In any case of redemption of Series E Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series E Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series E Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series E Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 E Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series E Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series E Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series E Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series E Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such 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 then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series E Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series F Shares

- (a) The Series E Shares shall not be convertible prior to December 31, 2018. Holders of Series E Shares shall have the right to convert on each Series E Conversion Date, subject to the provisions hereof, all or any of their Series E Shares into Series F Shares on the basis of one Series F Share for each Series E Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series E Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series E Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series E Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series E Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series E Shares of the Annual Fixed Dividend Rate for the Series E Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series F Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).
- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series E Shares of the redemption of all of the Series E Shares, then the right of a holder of Series E Shares to convert such Series E Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series E Shares shall not be entitled to convert their shares into Series F Shares if the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series F Shares, after having taken into account all Series E Shares tendered for conversion into Series F Shares and all Series F Shares tendered for conversion into Series E Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series E Shares at least seven days prior to the applicable Series E Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series E Conversion Date, at the expense of the Corporation, to such holders of Series E Shares who have surrendered for conversion any certificate or certificates representing Series E Shares, certificates representing the Series E Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series E Shares, after having taken into account all Series E Shares tendered for conversion into Series F Shares and all Series F Shares tendered for conversion into Series E Shares, then all of the remaining outstanding Series E Shares shall be converted automatically into Series F Shares on the basis of one Series F Share for each Series E Share on the applicable Series E Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series E Shares at least seven days prior to the Series E Conversion Date.
- (e) The conversion right may be exercised by a holder of Series E Shares by notice in writing, in a form satisfactory to the Corporation (the “**Series E Conversion Notice**”), which notice must be received by the transfer agent and registrar for the Series E Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series E Conversion Date. The Series E Conversion Notice shall indicate the number of Series E Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series F Shares are in the Book-Based System, if the

Series F Shares are to be registered in a name or names different from the name or names of the registered holder of the Series E Shares to be converted, the Series E Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series F Shares in some other name or names (the "**Series F Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series F Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series F Transferee to hold such Series F Shares.

- (f) If all remaining outstanding Series E Shares are to be converted into Series F Shares on the applicable Series E Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series E Shares that holders have not previously elected to convert shall be converted on the Series E Conversion Date into Series F Shares and the holders thereof shall be deemed to be holders of Series F Shares at 5:00 p.m. (Toronto time) on the Series E Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series E Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series F Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series E Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series F Shares registered in the name of the holders of the Series E Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series E Shares of the certificate or certificates for the Series E Shares to be converted. If only a part of such Series E Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series E Conversion Notice, the Series E Shares converted into Series F Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series E Shares to be converted share certificates representing the Series F Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series F Shares upon conversion of any Series E Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series F Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series F Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series F Shares or is unable to deliver Series F Shares.
- (i) The Corporation reserves the right not to deliver Series F Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose

address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series F Shares, and the Corporation shall attempt to sell such Series F Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series F Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series F Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series E Shares shall be entitled to receive \$25.00 per Series E Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series E Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series E Shares in any respect. After payment to the holders of the Series E Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series E Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series E 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 dividends on the Series E Shares, 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 such dividends. In the event of such non-payment, the holders of Series E Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series E Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series E Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series E Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series E Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series E Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series E Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series E Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.



9. Restrictions on Payment of Dividends and Reductions of Junior Capital

So long as any of the Series E Shares are outstanding, the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series E Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series E Shares with respect to payment of dividends; or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series E Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series E Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series E Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series E Shares without the prior approval of the holders of the Series E Shares given as specified in paragraph 11, nor shall the number of Series E Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series E Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series E Shares

The approval of the holders of the Series E Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series E Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series E Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series E Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series E Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series E Shares present in person or so represented by proxy, whether or not they hold a majority of all Series E Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series E Shares. Notice of any such original meeting of the holders of the Series E Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series E Shares present in person or represented by proxy shall be entitled to one vote for each of the Series E Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series E Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series E Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series E Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series E Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series E Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series E Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series E Shares:
  - (i) the System Operator shall be considered the sole owner of the Series E Shares for the purposes of receiving notices or payments on or in respect of the Series E Shares or the delivery of Series F Shares and certificates therefor upon the exercise of rights of conversion; and

- (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series E Shares, the cash redemption price for the Series E Shares or certificates for Series F Shares against delivery to the Corporation's account with the System Operator of such holders' Series E Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series E Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series E Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series E Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series E Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series E Shares, the Corporation may, at its option, make any payment due to registered holders of Series E Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series E Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series E Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series E Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series E Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series E Shares may be listed.

The **sixth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series F (the "**Series F Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series F Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series F Shares shall be as follows:

1. Interpretation

- (a) In these Series F Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.17%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series F Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series F Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing March 31, 2014;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.17%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Liquidation"** means 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;
- (xviii) **"Participants"** means the participants in the Book-Based System;
- (xix) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xx) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing December 31, 2018;
- (xxiii) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxiv) **"Series E Shares"** means the Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series E of the Corporation;
- (xxv) **"Series F Conversion Date"** means December 31, 2023, and December 31 in every fifth year thereafter;

- (xxvi) **"Subsequent Fixed Rate Period"** means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2018 to, but excluding, December 31, 2023, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, December 31 in the fifth year thereafter;
  - (xxvii) **"System Operator"** means CDS or its nominee or any successor thereof; and
  - (xxviii) **"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series F Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series F Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series F Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series F Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series F Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series F Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series F Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series F Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series F Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series F Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series F Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series F Shares so tendered by each of the holders of Series F Shares who submit tenders at that price. From and after the date of purchase of any Series F Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series F Shares by the payment of an amount in cash for each share to be redeemed equal to:
  - (i) \$25.00 in the case of a redemption on a Series F Conversion Date, or
  - (ii) \$25.50 in the case of a redemption on any other date after December 31, 2018 that is not a Series F Conversion Date,

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series F Shares have been paid to but excluding the date fixed for redemption (the whole

constituting the “**cash redemption price**”). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series F Share is \$25.00.

- (b) In any case of redemption of Series F Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series F Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series F Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder’s address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series F Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 F Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series F Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation’s bankers in Canada. Such Series F Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series F Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series F Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series F 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 F Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series F Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series E Shares

- (a) The Series F Shares shall not be convertible prior to December 31, 2023. Holders of Series F Shares shall have the right to convert on each Series F Conversion Date,



subject to the provisions hereof, all or any of their Series F Shares into Series E Shares on the basis of one Series E Share for each Series F Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series F Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series F Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series F Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series F Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series F Shares of the Annual Fixed Dividend Rate for the Series E Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series F Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series F Shares of the redemption of all of the Series F Shares, then the right of a holder of Series F Shares to convert such Series F Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series F Shares shall not be entitled to convert their shares into Series E Shares if the Corporation determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series E Shares, after having taken into account all Series F Shares tendered for conversion into Series E Shares and all Series E Shares tendered for conversion into Series F Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series F Shares at least seven days prior to the applicable Series F Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series F Conversion Date, at the expense of the Corporation, to such holders of Series F Shares who have surrendered for conversion any certificate or certificates representing Series F Shares, certificates representing the Series F Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series F Shares, after having taken into account all Series F Shares tendered for conversion into Series E Shares and all Series E Shares tendered for conversion into Series F Shares, then all of the remaining outstanding Series F Shares shall be converted automatically into Series E Shares on the basis of one Series E Share for each Series F Share on the applicable Series F Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series F Shares at least seven days prior to the Series F Conversion Date.
- (e) The conversion right may be exercised by a holder of Series F Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series F Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series F Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series F Conversion Date. The Series F Conversion Notice shall indicate the number of Series F Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series E Shares are in the Book-Based System, if the Series E Shares are to be registered in a name or names different from the name or names of the registered holder of the Series F Shares to be converted, the Series F Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series E Shares in

some other name or names (the "**Series F Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series F Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series F Transferee to hold such Series E Shares.

- (f) If all remaining outstanding Series F Shares are to be converted into Series E Shares on the applicable Series F Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series F Shares that holders have not previously elected to convert shall be converted on the Series F Conversion Date into Series E Shares and the holders thereof shall be deemed to be holders of Series E Shares at 5:00 p.m. (Toronto time) on the Series F Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series F Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series E Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series F Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series E Shares registered in the name of the holders of the Series F Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series F Shares of the certificate or certificates for the Series F Shares to be converted. If only a part of such Series F Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series F Conversion Notice, the Series F Shares converted into Series E Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series F Shares to be converted share certificates representing the Series E Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series E Shares upon conversion of any Series F Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series E Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series E Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series E Shares or is unable to deliver Series E Shares.
- (i) The Corporation reserves the right not to deliver Series E Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series E Shares, and the Corporation shall attempt to sell such Series

E Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series E Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series E Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series F Shares shall be entitled to receive \$25.00 per Series F Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series F Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series F Shares in any respect. After payment to the holders of the Series F Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series F Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series F Shares, 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 such dividends. In the event of such non-payment, the holders of Series F Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series F Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series F Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series F Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series F Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series F Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series F Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series F Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series F Shares are outstanding the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series F Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series F Shares with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series F Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series F Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series F Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series F Shares without the prior approval of the holders of the Series F Shares given as specified in paragraph 11, nor shall the number of Series F Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series F Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series F Shares

The approval of the holders of the Series F Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series F Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series F Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series F Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series F Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series F Shares present in person or so represented by proxy, whether or not they hold a majority of all Series F Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series F Shares. Notice of any such original meeting of the holders of the Series F Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series F Shares present in person or represented by proxy shall be entitled to one vote for each of the Series F Shares held by such holder.

12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of

Series F Shares shall be required to pay tax on dividends received on the Series F Shares under section 187.2 of such Act or any successor or replacement provision of similar effect.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series F Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series F Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act (Canada)* in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series F Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series F Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series F Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series F Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series F Shares:
  - (i) the System Operator shall be considered the sole owner of the Series F Shares for the purposes of receiving notices or payments on or in respect of the Series F Shares or the delivery of Series E Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series F Shares, the cash redemption price for the Series F Shares or certificates for Series E Shares against delivery to the

Corporation's account with the System Operator of such holders' Series F Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series F Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series F Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series F Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series F Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series F Shares, the Corporation may, at its option, make any payment due to registered holders of Series F Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series F Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series F Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series F Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series F Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series F Shares may be listed.

The **seventh series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series G (the "**Series G Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series G Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series G Shares shall be as follows:

1. Interpretation

- (a) In these Series G Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.06%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series G Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series G Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing September 30, 2014;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.06%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Initial Fixed Rate Period"** means the period from and including the date of issue of the Series G Shares to, but excluding, September 30, 2019;
- (xviii) **"Liquidation"** means 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;
- (xix) **"Participants"** means the participants in the Book-Based System;
- (xx) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xxi) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxii) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxiii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing September 30, 2019;
- (xxiv) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxv) **"Series G Conversion Date"** means September 30, 2019, and September 30 in every fifth year thereafter;



- (xxvi) “**Series H Shares**” means the Cumulative Redeemable Floating Rate Preferred Shares, Series H of the Corporation;
  - (xxvii) “**Subsequent Fixed Rate Period**” means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2019 to, but excluding, September 30, 2024, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;
  - (xxviii) “**System Operator**” means CDS or its nominee or any successor thereof; and
  - (xxix) “**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page “CA3MAY<INDEX>” (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions “on parity with”, “ranking prior to”, “ranking junior to” and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series G Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series G Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.1875 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted or withheld by the Corporation). The first dividend, if declared, shall be payable on September 30, 2014 in the amount of \$0.2896 per Series G Share.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series G Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00 (less any tax required to be deducted or withheld by the Corporation).
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series G Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series G Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder

of Series G Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series G Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series G Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series G Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series G Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series G Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series G Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series G Shares so tendered by each of the holders of Series G Shares who submit tenders at that price. From and after the date of purchase of any Series G Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) The Series G Shares shall not be redeemable prior to September 30, 2019. Subject to the provisions of paragraph 9, on September 30, 2019, and on September 30 in every

fifth year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series G Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series G Share is \$25.00.

- (b) In any case of redemption of Series G Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series G Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series G Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series G Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 G Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series G Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series G Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series G Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series G Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series G 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 G Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series G Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series H Shares

- (a) The Series G Shares shall not be convertible prior to September 30, 2019. Holders of Series G Shares shall have the right to convert on each Series G Conversion Date, subject to the provisions hereof, all or any of their Series G Shares into Series H Shares on the basis of one Series H Share for each Series G Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series G Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series G Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series G Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series G Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series G Shares of the Annual Fixed Dividend Rate for the Series G Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series H Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).
- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series G Shares of the redemption of all of the Series G Shares, then the right of a holder of Series G Shares to convert such Series G Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series G Shares shall not be entitled to convert their shares into Series H Shares if the Corporation determines that there would remain outstanding on a Series G Conversion Date less than 1,000,000 Series H Shares, after having taken into account all Series G Shares tendered for conversion into Series H Shares and all Series H Shares tendered for conversion into Series G Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series G Shares at least seven days prior to the applicable Series G Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series G Conversion Date, at the expense of the Corporation, to such holders of Series G Shares who have surrendered for conversion any certificate or certificates representing Series G Shares, certificates representing the Series G Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series G Conversion Date less than 1,000,000 Series G Shares, after having taken into account all Series G Shares tendered for conversion into Series H Shares and all Series H Shares tendered for conversion into Series G Shares, then all of the remaining outstanding Series G Shares shall be converted automatically into Series H Shares on the basis of one Series H Share for each Series G Share on the applicable Series G Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series G Shares at least seven days prior to the Series G Conversion Date.
- (e) The conversion right may be exercised by a holder of Series G Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series G Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series G Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series G Conversion Date. The Series G Conversion Notice shall indicate the number of Series G Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series H Shares are in the Book-Based System, if the

Series H Shares are to be registered in a name or names different from the name or names of the registered holder of the Series G Shares to be converted, the Series G Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series H Shares in some other name or names (the "**Series H Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series H Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series H Transferee to hold such Series H Shares.

- (f) If all remaining outstanding Series G Shares are to be converted into Series H Shares on the applicable Series G Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series G Shares that holders have not previously elected to convert shall be converted on the Series G Conversion Date into Series H Shares and the holders thereof shall be deemed to be holders of Series H Shares at 5:00 p.m. (Toronto time) on the Series G Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series G Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series H Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series G Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series H Shares registered in the name of the holders of the Series G Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series G Shares of the certificate or certificates for the Series G Shares to be converted. If only a part of such Series G Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series G Conversion Notice, the Series G Shares converted into Series H Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series G Shares to be converted share certificates representing the Series H Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series H Shares upon conversion of any Series G Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series H Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series H Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series H Shares or is unable to deliver Series H Shares.
- (i) The Corporation reserves the right not to deliver Series H Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose

address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series H Shares, and the Corporation shall attempt to sell such Series H Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series H Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series H Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series G Shares shall be entitled to receive \$25.00 per Series G Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series G Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series G Shares in any respect. After payment to the holders of the Series G Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series G Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series G Shares, 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 such dividends. In the event of such non-payment, the holders of Series G Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series G Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series G Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series G Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series G Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series G Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series G Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series G Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reductions of Junior Capital

So long as any of the Series G Shares are outstanding, the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series G Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series G Shares with respect to payment of dividends; or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series G Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series G Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series G Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series G Shares without the prior approval of the holders of the Series G Shares given as specified in paragraph 11, nor shall the number of Series G Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series G Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series G Shares

The approval of the holders of the Series G Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series G Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series G Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series G Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series G Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series G Shares present in person or so represented by proxy, whether or not they hold a majority of all Series G Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series G Shares. Notice of any such original meeting of the holders of the Series G Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series G Shares present in person or represented by proxy shall be entitled to one vote for each of the Series G Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series G Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series G Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series G Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series G Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series G Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series G Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series G Shares:
  - (i) the System Operator shall be considered the sole owner of the Series G Shares for the purposes of receiving notices or payments on or in respect of the Series G Shares or the delivery of Series H Shares and certificates therefor upon the exercise of rights of conversion; and



- (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series G Shares, the cash redemption price for the Series G Shares or certificates for Series H Shares against delivery to the Corporation's account with the System Operator of such holders' Series G Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series G Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series G Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series G Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series G Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series G Shares, the Corporation may, at its option, make any payment due to registered holders of Series G Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series G Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series G Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series G Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series G Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series G Shares may be listed.

The **eighth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series H (the "**Series H Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series H Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series H Shares shall be as follows:

1. Interpretation

- (a) In these Series H Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.06%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series H Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series H Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing September 30, 2014;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.06%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Liquidation"** means 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;
- (xviii) **"Participants"** means the participants in the Book-Based System;
- (xix) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xx) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing September 30, 2019;
- (xxiii) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxiv) **"Series G Shares"** means the Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series G of the Corporation;
- (xxv) **"Series H Conversion Date"** means September 30, 2024, and September 30 in every fifth year thereafter;

- (xxvi) **"Subsequent Fixed Rate Period"** means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2019 to, but excluding, September 30, 2024, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, September 30 in the fifth year thereafter;
  - (xxvii) **"System Operator"** means CDS or its nominee or any successor thereof; and
  - (xxviii) **"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series H Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series H Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series H Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series H Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series H Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series H Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series H Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series H Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series H Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series H Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series H Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series H Shares so tendered by each of the holders of Series H Shares who submit tenders at that price. From and after the date of purchase of any Series H Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

4. Redemption

- (a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series H Shares by the payment of an amount in cash for each share to be redeemed equal to:
  - (i) \$25.00 in the case of a redemption on a Series H Conversion Date, or
  - (ii) \$25.50 in the case of a redemption on any other date after September 30, 2019 that is not a Series H Conversion Date,

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series H Shares have been paid to but excluding the date fixed for redemption (the whole

constituting the “**cash redemption price**”). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series H Share is \$25.00.

- (b) In any case of redemption of Series H Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series H Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series H Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder’s address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series H Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 H Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series H Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation’s bankers in Canada. Such Series H Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series H Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series H Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series H 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 H Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series H Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series G Shares

- (a) The Series H Shares shall not be convertible prior to September 30, 2024. Holders of Series H Shares shall have the right to convert on each Series H Conversion Date,

subject to the provisions hereof, all or any of their Series H Shares into Series G Shares on the basis of one Series G Share for each Series H Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series H Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series H Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series H Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series H Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series H Shares of the Annual Fixed Dividend Rate for the Series G Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series H Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series H Shares of the redemption of all of the Series H Shares, then the right of a holder of Series H Shares to convert such Series H Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series H Shares shall not be entitled to convert their shares into Series G Shares if the Corporation determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series G Shares, after having taken into account all Series H Shares tendered for conversion into Series G Shares and all Series G Shares tendered for conversion into Series H Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series H Shares at least seven days prior to the applicable Series H Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series H Conversion Date, at the expense of the Corporation, to such holders of Series H Shares who have surrendered for conversion any certificate or certificates representing Series H Shares, certificates representing the Series H Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series H Shares, after having taken into account all Series H Shares tendered for conversion into Series G Shares and all Series G Shares tendered for conversion into Series H Shares, then all of the remaining outstanding Series H Shares shall be converted automatically into Series G Shares on the basis of one Series G Share for each Series H Share on the applicable Series H Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series H Shares at least seven days prior to the Series H Conversion Date.
- (e) The conversion right may be exercised by a holder of Series H Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series H Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series H Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series H Conversion Date. The Series H Conversion Notice shall indicate the number of Series H Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series G Shares are in the Book-Based System, if the Series G Shares are to be registered in a name or names different from the name or names of the registered holder of the Series H Shares to be converted, the Series H Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series G Shares in

some other name or names (the "**Series H Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series H Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series H Transferee to hold such Series G Shares.

- (f) If all remaining outstanding Series H Shares are to be converted into Series G Shares on the applicable Series H Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series H Shares that holders have not previously elected to convert shall be converted on the Series H Conversion Date into Series G Shares and the holders thereof shall be deemed to be holders of Series G Shares at 5:00 p.m. (Toronto time) on the Series H Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series H Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series G Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series H Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series G Shares registered in the name of the holders of the Series H Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series H Shares of the certificate or certificates for the Series H Shares to be converted. If only a part of such Series H Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series H Conversion Notice, the Series H Shares converted into Series G Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series H Shares to be converted share certificates representing the Series G Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series G Shares upon conversion of any Series H Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series G Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series G Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series G Shares or is unable to deliver Series G Shares.
- (i) The Corporation reserves the right not to deliver Series G Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the



relevant number of Series G Shares, and the Corporation shall attempt to sell such Series G Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series G Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series G Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series H Shares shall be entitled to receive \$25.00 per Series H Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series H Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series H Shares in any respect. After payment to the holders of the Series H Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series H Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series H Shares, 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 such dividends. In the event of such non-payment, the holders of Series H Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series H Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series H Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series H Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series H Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series H Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series H Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series H Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series H Shares are outstanding the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series H Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series H Shares with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series H Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series H Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series H Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

#### 10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series H Shares without the prior approval of the holders of the Series H Shares given as specified in paragraph 11, nor shall the number of Series H Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series H Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

#### 11. Sanction by Holders of Series H Shares

The approval of the holders of the Series H Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series H Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series H Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series H Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series H Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series H Shares present in person or so represented by proxy, whether or not they hold a majority of all Series H Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series H Shares. Notice of any such original meeting of the holders of the Series H Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series H Shares present in person or represented by proxy shall be entitled to one vote for each of the Series H Shares held by such holder.

#### 12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of

Series H Shares shall be required to pay tax on dividends received on the Series H Shares under section 187.2 of such Act or any successor or replacement provision of similar effect.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series H Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series H Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series H Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series H Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series H Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series H Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series H Shares:
  - (i) the System Operator shall be considered the sole owner of the Series H Shares for the purposes of receiving notices or payments on or in respect of the Series H Shares or the delivery of Series G Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series H Shares, the cash redemption price for the Series H Shares or certificates for Series G Shares against delivery to the

Corporation's account with the System Operator of such holders' Series H Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series H Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series H Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series H Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series H Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series H Shares, the Corporation may, at its option, make any payment due to registered holders of Series H Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series H Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series H Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series H Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series H Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series H Shares may be listed.

The **ninth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable 5-Year Minimum Rate Reset Preferred Shares, Series I (the "**Series I Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series I Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series I Shares shall be as follows:

1. Interpretation

- (a) In these Series I Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 4.19%, provided that, in any event, such rate shall not be less than 5.25%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series I Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series I Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing March 31, 2016;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 4.19%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Initial Fixed Rate Period"** means the period from and including the date of issue of the Series I Shares to, but excluding, December 31, 2020;
- (xviii) **"Liquidation"** means 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;
- (xix) **"Participants"** means the participants in the Book-Based System;
- (xx) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xxi) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxii) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxiii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing December 31, 2020;
- (xxiv) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxv) **"Series I Conversion Date"** means December 31, 2020, and December 31 in every fifth year thereafter;

- (xxvi) "**Series J Shares**" means the Cumulative Redeemable Floating Rate Preferred Shares, Series J of the Corporation;
  - (xxvii) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2020 to, but excluding, December 31, 2025, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, December 31 in the fifth year thereafter;
  - (xxviii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxix) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series I Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series I Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.31250 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted or withheld by the Corporation). The first dividend, if declared, shall be payable on March 31, 2016 in the amount of \$0.46387 per Series I Share.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series I Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00 (less any tax required to be deducted or withheld by the Corporation).
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series I Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series I Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder

of Series I Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series I Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series I Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series I Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series I Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series I Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series I Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series I Shares so tendered by each of the holders of Series I Shares who submit tenders at that price. From and after the date of purchase of any Series I Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) The Series I Shares shall not be redeemable prior to December 31, 2020. Subject to the provisions of paragraph 9, on December 31, 2020, and on December 31 in every fifth



year thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series I Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series I Share is \$25.00.

- (b) In any case of redemption of Series I Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series I Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series I Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series I Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 I Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series I Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series I Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series I Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series I Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series I 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 I Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series I Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series J Shares

- (a) The Series I Shares shall not be convertible prior to December 31, 2020. Holders of Series I Shares shall have the right to convert on each Series I Conversion Date, subject to the provisions hereof, all or any of their Series I Shares into Series J Shares on the basis of one Series J Share for each Series I Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series I Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series I Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series I Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series I Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series I Shares of the Annual Fixed Dividend Rate for the Series I Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series J Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).
- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series I Shares of the redemption of all of the Series I Shares, then the right of a holder of Series I Shares to convert such Series I Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series I Shares shall not be entitled to convert their shares into Series J Shares if the Corporation determines that there would remain outstanding on a Series I Conversion Date less than 1,000,000 Series J Shares, after having taken into account all Series I Shares tendered for conversion into Series J Shares and all Series J Shares tendered for conversion into Series I Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series I Shares at least seven days prior to the applicable Series I Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series I Conversion Date, at the expense of the Corporation, to such holders of Series I Shares who have surrendered for conversion any certificate or certificates representing Series I Shares, certificates representing the Series I Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series I Conversion Date less than 1,000,000 Series I Shares, after having taken into account all Series I Shares tendered for conversion into Series J Shares and all Series J Shares tendered for conversion into Series I Shares, then all of the remaining outstanding Series I Shares shall be converted automatically into Series J Shares on the basis of one Series J Share for each Series I Share on the applicable Series I Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series I Shares at least seven days prior to the Series I Conversion Date.
- (e) The conversion right may be exercised by a holder of Series I Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series I Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series I Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series I Conversion Date. The Series I Conversion Notice shall indicate the number of Series I Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series J Shares are in the Book-Based System, if the Series J Shares

are to be registered in a name or names different from the name or names of the registered holder of the Series I Shares to be converted, the Series I Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series J Shares in some other name or names (the "**Series J Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series J Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series J Transferee to hold such Series J Shares.

- (f) If all remaining outstanding Series I Shares are to be converted into Series J Shares on the applicable Series I Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series I Shares that holders have not previously elected to convert shall be converted on the Series I Conversion Date into Series J Shares and the holders thereof shall be deemed to be holders of Series J Shares at 5:00 p.m. (Toronto time) on the Series I Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series I Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series J Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series I Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series J Shares registered in the name of the holders of the Series I Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series I Shares of the certificate or certificates for the Series I Shares to be converted. If only a part of such Series I Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series I Conversion Notice, the Series I Shares converted into Series J Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series I Shares to be converted share certificates representing the Series J Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series J Shares upon conversion of any Series I Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series J Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series J Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series J Shares or is unable to deliver Series J Shares.
- (i) The Corporation reserves the right not to deliver Series J Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose

address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series J Shares, and the Corporation shall attempt to sell such Series J Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series J Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series J Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series I Shares shall be entitled to receive \$25.00 per Series I Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series I Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series I Shares in any respect. After payment to the holders of the Series I Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series I Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series I Shares, 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 such dividends. In the event of such non-payment, the holders of Series I Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series I Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series I Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series I Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series I Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series I Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series I Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series I Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reductions of Junior Capital

So long as any of the Series I Shares are outstanding, the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series I Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series I Shares with respect to payment of dividends; or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series I Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series I Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series I Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series I Shares without the prior approval of the holders of the Series I Shares given as specified in paragraph 11, nor shall the number of Series I Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series I Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series I Shares

The approval of the holders of the Series I Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series I Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series I Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series I Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series I Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series I Shares present in person or so represented by proxy, whether or not they hold a majority of all Series I Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series I Shares. Notice of any such original meeting of the holders of the Series I Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series I Shares present in person or represented by proxy shall be entitled to one vote for each of the Series I Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series I Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series I Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series I Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series I Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series I Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series I Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series I Shares:
  - (i) the System Operator shall be considered the sole owner of the Series I Shares for the purposes of receiving notices or payments on or in respect of the Series I Shares or the delivery of Series J Shares and certificates therefor upon the exercise of rights of conversion; and

- (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series I Shares, the cash redemption price for the Series I Shares or certificates for Series J Shares against delivery to the Corporation's account with the System Operator of such holders' Series I Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series I Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series I Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series I Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series I Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

#### 15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series I Shares, the Corporation may, at its option, make any payment due to registered holders of Series I Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series I Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series I Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series I Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

#### 16. Amendments

The provisions attaching to the Series I Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series I Shares may be listed.

The **tenth series of Preferred Shares** of the Corporation shall consist of 8,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series J (the "**Series J Shares**"). In addition to the rights, privileges, restrictions and conditions attaching the Series J Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series J Shares shall be as follows:

1. Interpretation

- (a) In these Series J Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 4.19%; provided that, in any event, such rate shall not be less than 5.25%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series J Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series J Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing March 31, 2021;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;



- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 4.19%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Liquidation"** means 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;
- (xviii) **"Participants"** means the participants in the Book-Based System;
- (xix) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xx) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing December 31, 2020;
- (xxiii) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxiv) **"Series I Shares"** means the Cumulative Redeemable 5-Year Minimum Rate Reset Preferred Shares, Series I of the Corporation;
- (xxv) **"Series J Conversion Date"** means December 31, 2025, and December 31 in every fifth year thereafter;

- (xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2020 to, but excluding, December 31, 2025, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, December 31 in the fifth year thereafter;
  - (xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series J Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series J Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series J Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series J Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series J Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series J Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series J Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series J Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series J Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series J Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series J Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series J Shares so tendered by each of the holders of Series J Shares who submit tenders at that price. From and after the date of purchase of any Series J Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series J Shares by the payment of an amount in cash for each share to be redeemed equal to:
  - (i) \$25.00 in the case of a redemption on a Series J Conversion Date, or
  - (ii) \$25.50 in the case of a redemption on any other date after December 31, 2020 that is not a Series J Conversion Date,

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series J Shares have been paid to but excluding the date fixed for redemption (the whole

- constituting the “**cash redemption price**”). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series J Share is \$25.00.
- (b) In any case of redemption of Series J Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series J Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series J Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder’s address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series J Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 J Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series J Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation’s bankers in Canada. Such Series J Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series J Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series J Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series J 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 J Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series J Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series I Shares

- (a) The Series J Shares shall not be convertible prior to December 31, 2025. Holders of Series J Shares shall have the right to convert on each Series J Conversion Date, subject

to the provisions hereof, all or any of their Series J Shares into Series I Shares on the basis of one Series I Share for each Series J Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series J Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series J Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series J Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series J Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series J Shares of the Annual Fixed Dividend Rate for the Series I Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series J Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series J Shares of the redemption of all of the Series J Shares, then the right of a holder of Series J Shares to convert such Series J Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series J Shares shall not be entitled to convert their shares into Series I Shares if the Corporation determines that there would remain outstanding on a Series J Conversion Date less than 1,000,000 Series I Shares, after having taken into account all Series J Shares tendered for conversion into Series I Shares and all Series I Shares tendered for conversion into Series J Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series J Shares at least seven days prior to the applicable Series J Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series J Conversion Date, at the expense of the Corporation, to such holders of Series J Shares who have surrendered for conversion any certificate or certificates representing Series J Shares, certificates representing the Series J Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series J Conversion Date less than 1,000,000 Series J Shares, after having taken into account all Series J Shares tendered for conversion into Series I Shares and all Series I Shares tendered for conversion into Series J Shares, then all of the remaining outstanding Series J Shares shall be converted automatically into Series I Shares on the basis of one Series I Share for each Series J Share on the applicable Series J Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series J Shares at least seven days prior to the Series J Conversion Date.
- (e) The conversion right may be exercised by a holder of Series J Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series J Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series J Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series J Conversion Date. The Series J Conversion Notice shall indicate the number of Series J Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series I Shares are in the Book-Based System, if the Series I Shares are to be registered in a name or names different from the name or names of the registered holder of the Series J Shares to be converted, the Series J Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series I Shares in some other

name or names (the "**Series J Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series J Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series J Transferee to hold such Series I Shares.

- (f) If all remaining outstanding Series J Shares are to be converted into Series I Shares on the applicable Series J Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series J Shares that holders have not previously elected to convert shall be converted on the Series J Conversion Date into Series I Shares and the holders thereof shall be deemed to be holders of Series I Shares at 5:00 p.m. (Toronto time) on the Series J Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series J Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series I Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series J Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series I Shares registered in the name of the holders of the Series J Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series J Shares of the certificate or certificates for the Series J Shares to be converted. If only a part of such Series J Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series J Conversion Notice, the Series J Shares converted into Series I Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series J Shares to be converted share certificates representing the Series I Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series I Shares upon conversion of any Series J Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series I Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series I Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series I Shares or is unable to deliver Series I Shares.
- (i) The Corporation reserves the right not to deliver Series I Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series I Shares, and the Corporation shall attempt to sell such Series

I Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series I Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series I Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series J Shares shall be entitled to receive \$25.00 per Series J Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series J Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series J Shares in any respect. After payment to the holders of the Series J Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series J Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series J Shares, 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 such dividends. In the event of such non-payment, the holders of Series J Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series J Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series J Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series J Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series J Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series J Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series J Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series J Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series J Shares are outstanding the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series J Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series J Shares with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series J Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series J Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series J Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

#### 10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series J Shares without the prior approval of the holders of the Series J Shares given as specified in paragraph 11, nor shall the number of Series J Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series J Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

#### 11. Sanction by Holders of Series J Shares

The approval of the holders of the Series J Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series J Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series J Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series J Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series J Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series J Shares present in person or so represented by proxy, whether or not they hold a majority of all Series J Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series J Shares. Notice of any such original meeting of the holders of the Series J Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series J Shares present in person or represented by proxy shall be entitled to one vote for each of the Series J Shares held by such holder.

#### 12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of



Series J Shares shall be required to pay tax on dividends received on the Series J Shares under section 187.2 of such Act or any successor or replacement provision of similar effect.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series J Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series J Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series J Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series J Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series J Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series J Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series J Shares:
  - (i) the System Operator shall be considered the sole owner of the Series J Shares for the purposes of receiving notices or payments on or in respect of the Series J Shares or the delivery of Series I Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series J Shares, the cash redemption price for the Series J Shares or certificates for Series I Shares against delivery to the

Corporation's account with the System Operator of such holders' Series J Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series J Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series J Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate to the transfer agent and registrar for the Series J Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series J Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series J Shares, the Corporation may, at its option, make any payment due to registered holders of Series J Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series J Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series J Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series J Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series J Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series J Shares may be listed.

The **eleventh series of Preferred Shares** of the Corporation shall consist of 12,000,000 shares designated as Cumulative Redeemable 5-Year Minimum Rate Reset Preferred Shares, Series K (the "**Series K Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series K Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series K Shares shall be as follows:

1. Interpretation

- (a) In these Series K Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.80%, provided that, in any event, such rate shall not be less than 5.00%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series K Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series K Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing June 30, 2017;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.80%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Initial Fixed Rate Period"** means the period from and including the date of issue of the Series K Shares to, but excluding, March 31, 2022;
- (xviii) **"Liquidation"** means 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;
- (xix) **"Participants"** means the participants in the Book-Based System;
- (xx) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xxi) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxii) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxiii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing March 31, 2022;
- (xxiv) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxv) **"Series K Conversion Date"** means March 31, 2022, and March 31 in every fifth year thereafter;

- (xxvi) "**Series L Shares**" means the Cumulative Redeemable Floating Rate Preferred Shares, Series L of the Corporation;
  - (xxvii) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 31, 2022 to, but excluding, March 31, 2027, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter;
  - (xxviii) "**System Operator**" means CDS or its nominee or any successor thereof; and
  - (xxix) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series K Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During the Initial Fixed Rate Period, the holders of the Series K Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of \$1.25 per share, payable quarterly on each Dividend Payment Date in each year (less any tax required to be deducted or withheld by the Corporation). The first dividend, if declared, shall be payable on June 30, 2017 in the amount of \$0.4384 per Series K Share.
- (b) During each Subsequent Fixed Rate Period, the holders of the Series K Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by \$25.00 (less any tax required to be deducted or withheld by the Corporation).
- (c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series K Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series K Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder

of Series K Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

- (d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.
- (e) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series K Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (f) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (g) The holders of the Series K Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series K Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series K Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series K Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series K Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series K Shares so tendered by each of the holders of Series K Shares who submit tenders at that price. From and after the date of purchase of any Series K Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) The Series K Shares shall not be redeemable prior to March 31, 2022. Subject to the provisions of paragraph 9, on March 31, 2022, and on March 31 in every fifth year

thereafter, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series K Shares by the payment of an amount in cash for each share to be redeemed equal to \$25.00 (such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation) (the whole constituting the "**cash redemption price**"). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series K Share is \$25.00.

- (b) In any case of redemption of Series K Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series K Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series K Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series K Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 K Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series K Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series K Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series K Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series K Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series K 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 K Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series K Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series L Shares

- (a) The Series K Shares shall not be convertible prior to March 31, 2022. Holders of Series K Shares shall have the right to convert on each Series K Conversion Date, subject to the provisions hereof, all or any of their Series K Shares into Series L Shares on the basis of one Series L Share for each Series K Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series K Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series K Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series K Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series K Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series K Shares of the Annual Fixed Dividend Rate for the Series K Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series L Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).
- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series K Shares of the redemption of all of the Series K Shares, then the right of a holder of Series K Shares to convert such Series K Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series K Shares shall not be entitled to convert their shares into Series L Shares if the Corporation determines that there would remain outstanding on a Series K Conversion Date less than 1,000,000 Series L Shares, after having taken into account all Series K Shares tendered for conversion into Series L Shares and all Series L Shares tendered for conversion into Series K Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series K Shares at least seven days prior to the applicable Series K Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series K Conversion Date, at the expense of the Corporation, to such holders of Series K Shares who have surrendered for conversion any certificate or certificates representing Series K Shares, certificates representing the Series K Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series K Conversion Date less than 1,000,000 Series K Shares, after having taken into account all Series K Shares tendered for conversion into Series L Shares and all Series L Shares tendered for conversion into Series K Shares, then all of the remaining outstanding Series K Shares shall be converted automatically into Series L Shares on the basis of one Series L Share for each Series K Share on the applicable Series K Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series K Shares at least seven days prior to the Series K Conversion Date.
- (e) The conversion right may be exercised by a holder of Series K Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series K Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series K Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series K Conversion Date. The Series K Conversion Notice shall indicate the number of Series K Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series L Shares are in the Book-Based System, if the



Series L Shares are to be registered in a name or names different from the name or names of the registered holder of the Series K Shares to be converted, the Series K Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series L Shares in some other name or names (the "**Series L Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series L Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series L Transferee to hold such Series L Shares.

- (f) If all remaining outstanding Series K Shares are to be converted into Series L Shares on the applicable Series K Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series K Shares that holders have not previously elected to convert shall be converted on the Series K 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 K Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series K 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 provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series K Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series L Shares registered in the name of the holders of the Series K Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series K Shares of the certificate or certificates for the Series K Shares to be converted. If only a part of such Series K Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series K Conversion Notice, the Series K Shares converted into Series L Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 14, to deliver to the holders of the Series K Shares to be converted share certificates representing the Series L Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series L Shares upon conversion of any Series K Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series L Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series L Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series L Shares or is unable to deliver Series L Shares.
- (i) The Corporation reserves the right not to deliver Series L Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose

address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series L Shares, and the Corporation shall attempt to sell such Series L Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series L Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series L Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series K Shares shall be entitled to receive \$25.00 per Series K Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series K Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series K Shares in any respect. After payment to the holders of the Series K Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series K Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of 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 dividends on the Series K Shares, 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 such dividends. In the event of such non-payment, the holders of Series K Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series K Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series K Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series K Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series K Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series K Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series K Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series K Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reductions of Junior Capital

So long as any of the Series K Shares are outstanding, the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series K Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series K Shares with respect to payment of dividends; or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series K Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series K Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series K Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series K Shares without the prior approval of the holders of the Series K Shares given as specified in paragraph 11, nor shall the number of Series K Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series K Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

11. Sanction by Holders of Series K Shares

The approval of the holders of the Series K Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series K Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series K Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series K Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series K Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series K Shares present in person or so represented by proxy, whether or not they hold a majority of all Series K Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series K Shares. Notice of any such original meeting of the holders of the Series K Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series K Shares present in person or represented by proxy shall be entitled to one vote for each of the Series K Shares held by such holder.

12. Tax Election

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

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series K Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series K Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series K Shares shall be evidenced by a single fully registered Global Certificate or confirmation of uncertificated position, in either case representing the aggregate number of Series K Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate or uncertificated position, as applicable, for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series K Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series K Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series K Shares:
  - (i) the System Operator shall be considered the sole owner of the Series K Shares for the purposes of receiving notices or payments on or in respect of the Series K Shares or the delivery of Series L Shares and certificates therefor upon the exercise of rights of conversion; and

- (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series K Shares, the cash redemption price for the Series K Shares or certificates for Series L Shares against delivery to the Corporation's account with the System Operator of such holders' Series K Shares.
- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series K Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series K Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate, to the extent such Global Certificate exists, to the transfer agent and registrar for the Series K Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion, with respect to Series K Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series K Shares, the Corporation may, at its option, make any payment due to registered holders of Series K Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series K Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series K Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series K Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series K Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act*, with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series K Shares may be listed.

The **twelfth series of Preferred Shares** of the Corporation shall consist of 12,000,000 shares designated as Cumulative Redeemable Floating Rate Preferred Shares, Series L (the "**Series L Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series L Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series L Shares shall be as follows:

1. Interpretation

- (a) In these Series L Share provisions, the following expressions have the meanings indicated:
- (i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.80%; provided that, in any event, such rate shall not be less than 5.00%;
  - (ii) "**Bloomberg**" means the Bloomberg Financial L.P. service or its successor service;
  - (iii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on Bloomberg (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields;
  - (iv) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;
  - (v) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;
  - (vi) "**Book-Entry Shares**" means the Series L Shares held through the Book-Based System;
  - (vii) "**Business Day**" means a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;
  - (viii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;
  - (ix) "**Common Shares**" means the common shares of the Corporation;
  - (x) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series L Shares;
  - (xi) "**Dividend Payment Date**" means the last day of March, June, September and December in each year commencing June 30, 2017;
  - (xii) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period;

- (xiii) **"Floating Quarterly Dividend Rate"** means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded 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 and 3.80%;
- (xiv) **"Floating Rate Calculation Date"** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period;
- (xv) **"Global Certificate"** means the global certificate representing outstanding Book-Entry Shares;
- (xvi) **"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 that 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, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to AltaGas by two registered Canadian investment dealers selected by AltaGas as being the annual yield to maturity on such date, compounded semi-annually, that a 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;
- (xvii) **"Liquidation"** means 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;
- (xviii) **"Participants"** means the participants in the Book-Based System;
- (xix) **"Preferred Shares"** means the preferred shares of the Corporation;
- (xx) **"Pro Rated Dividend"** means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;
- (xxi) **"Quarter"** means a three-month period ending on a Dividend Payment Date;
- (xxii) **"Quarterly Commencement Date"** means the last day of March, June, September and December in each year, commencing March 31, 2022;
- (xxiii) **"Quarterly Floating Rate Period"** means the period from and including a Quarterly Commencement Date to, but excluding, the next succeeding Quarterly Commencement Date;
- (xxiv) **"Series K Shares"** means the Cumulative Redeemable 5-Year Minimum Rate Reset Preferred Shares, Series K of the Corporation;
- (xxv) **"Series L Conversion Date"** means March 31, 2027, and March 31 in every fifth year thereafter;

- (xxvi) **"Subsequent Fixed Rate Period"** means, for the initial Subsequent Fixed Rate Period, the period from and including March 31, 2022 to, but excluding, March 31, 2027, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to, but excluding, March 31 in the fifth year thereafter;
  - (xxvii) **"System Operator"** means CDS or its nominee or any successor thereof; and
  - (xxviii) **"T-Bill Rate"** means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills using the three-month average results, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date, as posted on the Bloomberg page "CA3MAY<INDEX>" (or such other page as may replace the CA3MAY<INDEX> page on that service for purposes of displaying Government of Canada treasury bills yields).
- (b) The expressions "on parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation.
  - (c) If any day on which any dividend on the Series L Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a Business Day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a Business Day.

## 2. Dividends

- (a) During each Quarterly Floating Rate Period, the holders of the Series L Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.
- (b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series L Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series L Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series L Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation, redemption or conversion instead of the dividend declared, but if such Liquidation, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.



- (d) If the dividend payable on any Dividend Payment Date is not paid in full on such date on all of the Series L Shares then outstanding, such dividend or the unpaid part of it shall be paid on a subsequent date or dates to be determined by the Board of Directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the dividend.
- (e) Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers in Canada may be issued in respect of the dividends (less any tax required to be deducted) and payment of the cheques shall satisfy such dividends, or payments in respect of dividends may be made in any other manner determined by the Corporation.
- (f) The holders of the Series L Shares shall not be entitled to any dividend other than as specified in this paragraph 2.

### 3. Purchase for Cancellation

Subject to the provisions of paragraphs 5 and 9 and subject to such provisions of the *Canada Business Corporations Act* as may be applicable, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any part of the Series L Shares outstanding from time to time:

- (a) through the facilities of any stock exchange on which the Series L Shares are listed,
- (b) by invitation for tenders addressed to all the holders of record of the Series L Shares outstanding, or
- (c) in any other manner,

at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable. If upon any invitation for tenders under the provisions of this paragraph 3 more Series L Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series L Shares so tendered by each of the holders of Series L Shares who submit tenders at that price. From and after the date of purchase of any Series L Shares under the provisions of this paragraph 3, the shares so purchased shall be restored to the status of authorized but unissued shares.

### 4. Redemption

- (a) Subject to the provisions of paragraph 9, the Corporation, upon giving notice as herein provided, may redeem all or any part of the Series L Shares by the payment of an amount in cash for each share to be redeemed equal to:
  - (i) \$25.00 in the case of a redemption on a Series L Conversion Date, or
  - (ii) \$25.50 in the case of a redemption on any other date after March 31, 2022 that is not a Series L Conversion Date,

(such amount being the "**redemption amount**") plus all accrued and unpaid dividends thereon, which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series L Shares have been paid to but excluding the date fixed for redemption (the whole

constituting the “**cash redemption price**”). For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series L Share is \$25.00.

- (b) In any case of redemption of Series L Shares under the provisions of this paragraph 4, the Corporation shall, at least 30 days and not more than 60 days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Series L Shares to be redeemed a written notice of the intention of the Corporation to redeem such Series L Shares. Such notice shall be mailed in a prepaid letter addressed to each such holder at the holder's address as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the cash redemption price and the date on which redemption is to take place and, if part only of the Series L Shares held by the person to whom it is addressed is to be redeemed, the number so to be redeemed. 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 L Shares to be redeemed the cash redemption price on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificates for the Series L Shares called for redemption, subject to the provisions of paragraph 14. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. Such Series L Shares shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares. If a part only of the shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Series L Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any Series L Shares, to deposit the cash redemption price of the shares so called for redemption, or of such of the shares represented by certificates that have not at the date of such deposit been surrendered by the holders in connection with such redemption, to a special account in 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 such Series L 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 L Shares in respect of which such deposit shall have been made shall then be and be deemed to be redeemed and shall be restored to the status of authorized but unissued shares and the rights of the holders after such deposit or such redemption date shall be limited to receiving without interest their proportionate part of the total cash redemption price so deposited against presentation and surrender of the certificates held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation and any unclaimed funds remaining on deposit on the sixth anniversary date of the redemption shall be returned to the Corporation. Subject to such provisions of the *Canada Business Corporations Act* as may be applicable, in case a part only of the then outstanding Series L Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed *pro rata* (disregarding fractions).

5. Conversion into Series K Shares

- (a) The Series L Shares shall not be convertible prior to March 31, 2027. Holders of Series L Shares shall have the right to convert on each Series L Conversion Date, subject to the

provisions hereof, all or any of their Series L Shares into Series K Shares on the basis of one Series K Share for each Series L Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series L Conversion Date, give notice in writing in accordance with the provisions in subparagraph 2(b) to the then registered holders of the Series L Shares of the conversion right provided for in this paragraph 5, which notice shall set out the Series L Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30<sup>th</sup> day prior to each Series L Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series L Shares of the Annual Fixed Dividend Rate for the Series K Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series L Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

- (b) If the Corporation gives notice as provided in paragraph 4 to the holders of the Series L Shares of the redemption of all of the Series L Shares, then the right of a holder of Series L Shares to convert such Series L Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 5.
- (c) Holders of Series L Shares shall not be entitled to convert their shares into Series K Shares if the Corporation determines that there would remain outstanding on a Series L Conversion Date less than 1,000,000 Series K Shares, after having taken into account all Series L Shares tendered for conversion into Series K Shares and all Series K Shares tendered for conversion into Series L Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series L Shares at least seven days prior to the applicable Series L Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series L Conversion Date, at the expense of the Corporation, to such holders of Series L Shares who have surrendered for conversion any certificate or certificates representing Series L Shares, certificates representing the Series L Shares represented by any certificate or certificates so surrendered.
- (d) If the Corporation determines that there would remain outstanding on a Series L Conversion Date less than 1,000,000 Series L Shares, after having taken into account all Series L Shares tendered for conversion into Series K Shares and all Series K Shares tendered for conversion into Series L Shares, then all of the remaining outstanding Series L Shares shall be converted automatically into Series K Shares on the basis of one Series K Share for each Series L Share on the applicable Series L Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series L Shares at least seven days prior to the Series L Conversion Date.
- (e) The conversion right may be exercised by a holder of Series L Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series L Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series L Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding, a Series L Conversion Date. The Series L Conversion Notice shall indicate the number of Series L Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series K Shares are in the Book-Based System, if the Series K Shares are to be registered in a name or names different from the name or names of the registered holder of the Series L Shares to be converted, the Series L Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series K Shares in

some other name or names (the “**Series L Transferee**”) and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series L Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series L Transferee to hold such Series K Shares.

- (f) If all remaining outstanding Series L Shares are to be converted into Series K Shares on the applicable Series L Conversion Date as provided for in subparagraph (d) of this paragraph 5, the Series L Shares that holders have not previously elected to convert shall be converted on the Series L Conversion Date into Series K Shares and the holders thereof shall be deemed to be holders of Series K Shares at 5:00 p.m. (Toronto time) on the Series L Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation 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 K Shares in the manner and subject to the provisions of this paragraph 5 and paragraph 14.
- (g) Subject to subparagraph (h) of this paragraph 5 and paragraph 14, as promptly as practicable after the Series L Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series K Shares registered in the name of the holders of the Series L Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series L Shares of the certificate or certificates for the Series L Shares to be converted. If only a part of such Series L Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series L Conversion Notice, the Series L Shares converted into Series K Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation, subject to paragraph 14 shall fail to deliver to the holders of the Series L Shares to be converted share certificates representing the Series K Shares into which such shares have been converted.
- (h) The obligation of the Corporation to issue Series K Shares upon conversion of any Series L Shares shall be deferred during the continuance of any one or more of the following events:
  - (i) the issuing of such Series K Shares is prohibited pursuant to any agreement or arrangement entered into by the Corporation to assure its solvency or continued operation;
  - (ii) the issuing of such Series K Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or
  - (iii) for any reason beyond its control, the Corporation is unable to issue Series K Shares or is unable to deliver Series K Shares.
- (i) The Corporation reserves the right not to deliver Series K Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or that the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series K Shares, and the Corporation shall attempt to sell such Series

K Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series K Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series K Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

6. Liquidation, Dissolution or Winding-up

In the event of a Liquidation, the holders of the Series L Shares shall be entitled to receive \$25.00 per Series L Share plus all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which for such purpose shall be calculated on a *pro rata* basis for the period from and including the last Dividend Payment Date on which dividends on the Series L Shares have been paid to but excluding the date of such Liquidation, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series L Shares in any respect. After payment to the holders of the Series L Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

7. Voting Rights

The holders of Series L Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of the holders of Series L 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 dividends on the Series L Shares, 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 such dividends. In the event of such non-payment, the holders of Series L Shares shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation and which take place more than 60 days after the date on which the failure first occurs (other than separate meetings of holders of another class or series of shares), and such holders of Series L Shares shall have the right, at any such meeting, to one vote with respect to the resolutions being voted on for each Series L Share held until all such arrears of dividends have been paid, whereupon such rights shall cease unless and until the same default shall again arise under the provisions of this paragraph 7. At any time when any Series L Shares are outstanding the Corporation shall not issue additional Preferred Shares or undertake an issuer bid or other recapitalization transaction if the effect of such would be to immediately reduce the voting rights of the holders of the Series L Shares to less than one vote per share at any meeting or upon any written resolution of the Corporation's shareholders where holders of Common Shares and Preferred Shares are each entitled to vote.

8. Restrictions on Partial Redemption or Purchase

So long as any of the Series L Shares are outstanding, the Corporation shall not call for redemption, purchase, reduce or otherwise pay for less than all the Series L Shares and all other Preferred Shares then outstanding ranking prior to or on parity with the Series L Shares with respect to payment of dividends unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on all such shares then outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. Restrictions on Payment of Dividends and Reduction of Junior Capital

So long as any of the Series L Shares are outstanding the Corporation shall not:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series L Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series L Shares with respect to payment of dividends, or
- (b) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series L Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series L Shares and on all other Preferred Shares then outstanding ranking prior to or on parity with the Series L Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action referred to in subparagraphs 9(a) and (b).

#### 10. Issue of Additional Preferred Shares

No class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to or on parity with the Series L Shares without the prior approval of the holders of the Series L Shares given as specified in paragraph 11, nor shall the number of Series L Shares be increased without such approval; provided, however, that nothing in this paragraph 10 shall prevent the Corporation from creating additional series of Preferred Shares and, if all dividends then payable on the Series L Shares shall have been paid or set apart for payment, from issuing additional series of Preferred Shares without such approval.

#### 11. Sanction by Holders of Series L Shares

The approval of the holders of the Series L Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series L Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series L Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series L Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series L Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed 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 fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series L Shares present in person or so represented by proxy, whether or not they hold a majority of all Series L Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series L Shares. Notice of any such original meeting of the holders of the Series L Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series L Shares present in person or represented by proxy shall be entitled to one vote for each of the Series L Shares held by such holder.

#### 12. Tax Election

The Corporation shall elect, in the manner and within the time provided under subsection 191.2(1) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and shall take all other action necessary under such Act, such that no holder of

Series L Shares shall be required to pay tax on dividends received on the Series L Shares under section 187.2 of such Act or any successor or replacement provision of similar effect.

13. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series L Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 13.

Holders of Series L Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada) in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

14. Book-Based System

- (a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 14 and notwithstanding the provisions of paragraphs 1 through 13 of these share provisions, the Series L Shares shall be evidenced by a single fully registered Global Certificate or confirmation of uncertificated position, in either case representing the aggregate number of Series L Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate or uncertificated position, as applicable, for the Participants and registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series L Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 14, no beneficial holder of Series L Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.
- (b) Notwithstanding the provisions of paragraphs 1 through 13, so long as the System Operator is the registered holder of the Series L Shares:
  - (i) the System Operator shall be considered the sole owner of the Series L Shares for the purposes of receiving notices or payments on or in respect of the Series L Shares or the delivery of Series K Shares and certificates therefor upon the exercise of rights of conversion; and
  - (ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series L Shares, the cash redemption price for the Series L Shares or certificates for Series K Shares against delivery to the

Corporation's account with the System Operator of such holders' Series L Shares.

- (c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series L Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 14 shall no longer be applicable to the Series L Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate, to the extent such Global Certificate exists, to the transfer agent and registrar for the Series L Shares accompanied by registration instructions for re-registration, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.
- (d) The provisions of paragraphs 1 through 13 and the exercise of rights of redemption and conversion with respect to Series L Shares are subject to the provisions of this paragraph 14, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 14 shall prevail.

15. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series L Shares, the Corporation may, at its option, make any payment due to registered holders of Series L Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series L Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series L Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series L Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

16. Amendments

The provisions attaching to the Series L Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 11 and with any required approvals of any stock exchanges on which the Series L Shares may be listed.



**SCHEDULE 2**  
**Attached to and Forming Part of**  
**the Articles of AltaGas Ltd.**

OTHER PROVISIONS, IF ANY:

1. Without limiting the borrowing powers of the Corporation as set forth in the *Canada Business Corporations Act*, the directors of the Corporation may from time to time, without authorization of the shareholders,
  - (a) borrow money on the credit of the Corporation;
  - (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;
  - (c) subject to the *Canada Business Corporations Act*, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
  - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this clause limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

2. Subject to the *Canada Business Corporations Act*, the directors may appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.